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The Impact of Public Investment on Urban Revitalization: A Case Study on the Redevelopment of Downtown Norfolk, Virginia 1935-1985

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THE IMPACT OF PUBLIC INVESTMENT
ON URBAN REVITALIZATION:
A CASE STUDY ON THE REDEVELOPMENT
OF DOWNTOWN NORFOLK, VIRGINIA
1935 - 1985

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ABSTRACT

THE IMPACT OF PUBLIC INVESTMENT ON URBAN REVITALIZATION: A CASE STUDY ON THE REDEVELOPMENT OF DOWNTOWN NORFOLK, VIRGINIA

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This study focuses on downtown revitalization. It examines the effect of public investment in Downtown Norfolk in relation to various theories that have been developed to explain the growth of the central cores of cities.

A chronology is presented of the events that marked the beginning and the first fifty years of redevelopment in Downtown Norfolk, Virginia. Through reliance on newspaper articles, interviews and other documented sources, a record is provided that attempts to give deeper insight into the struggle that transformed slums and blight in downtown to a revitalized center of social and economic activity. This historical review allows the reader to relate Norfolk's experience with the experiences of other cities.

Criteria are identified that have been determined from research references to be valid and reliable indicators of downtown revitalization. Then based on data from primary sources, interpretations are made to show the impact of various Federal, State and local programs on the revitalization of Norfolk's Downtown. These programs include the Urban Renewal Program, General Revenue Sharing, Community Block Grants, Urban Development Action Grants, Tax Exempt Bonds, Federal and State Highway Programs, and local public Capital Improvement Programs.

The case study provides a basis for model building for older cities with deteriorating Central Business Districts. The analysis examines planning and implementation in downtown redevelopment and conservation activities and identifies those programs in Norfolk that have been the most effective in achieving the goal of a revitalized downtown.

Conclusions are drawn from findings that reinforce the premise that when an area becomes blighted, substantial clearance is essential in order to:

1. eliminate blight;
2. prevent future blight through proper land use controls;
3. change traffic patterns to make the experience of being in Downtown a pleasant one;
4. rid the Downtown of incompatible uses; and
5. achieve social and economic benefits in the most cost effective way.

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CHAPTER I

INTRODUCTION

Purpose of the Study

This case study is a descriptive and analytical examination of the Federal slum clearance and redevelopment programs over the last fifty years as they relate to Norfolk, Virginia. Using the national experience as the setting, this study examines the impact of various Federal, State and local programs that were utilized to enhance the role of Downtown Norfolk in that city's revitalization. Starting with the first Federal aid authorization for slum clearance that was made on June 16, 1933, and continuing to the waning Federal programs of the 1980s, the impact of public investment in Norfolk's Central Business District through Federal, State and local programs is examined.

The study measures the changes that have taken place over time through the use of selected indicators. Against the backdrop of the evolution of Federal programs the study analyzes the impacts of governmental programs in Downtown Norfolk to determine which programs have been the most effective. The study traces Norfolk's

revitalization from 1935 when an Advisory Committee was appointed to study slums, until 1985, when the last slums were being eradicated. By using Norfolk as a case study, the author speculates on what the emerging trends might be in order to maximize the physical, demographic and economic development of downtowns of Norfolk's size, situation, demography and geography.

The Downtown Crisis

It is difficult to say precisely when the downtowns of American cities began to experience trouble. Living conditions in slum neighborhoods have been a concern since the turn of the century.¹ Although the downtowns of cities were not specifically highlighted, settlement house leaders and journalists were publicizing the problems faced by slum dwellers in the early 1900s.² It was not until 1933 that a Federal government program was established for slum clearance.³

As families have historically settled in the core areas of cities, it is reasonable to assume that the turning point in the course of the survival of downtowns occurred with the recognition of the problem of slums. The year 1935 was a time of great danger and trouble from the standpoint of the Federal government's legislative battling that resulted two years later in the passage of the United States Housing Act of 1937.⁴ Hence, the "downtown crisis" became clear in 1937 as to whether the nation's cities would recover or die from growth of slums in their central cores.

Research Questions

The major research questions are to examine the effect of urban public policy on the revitalization of Norfolk's Central Business District and to determine how public policy has increased physical, demographic and economic benefits in relation to what would have occurred without such interventions. This is done by looking at the changes in the redevelopment process since 1935 and analyzing the effects of public programs on the revitalization of Norfolk's Central Business District. The specific research questions are as follows:

1. What has been the effect of Federal, State and local government programs on the revitalization of Norfolk's Central Business District?
2. How has public investment in Norfolk's Central Business District increased physical, demographic, and economic benefits in relation to what would have occurred without such investment?

Definition of Terms

Blight: This term refers to areas which impair economic values and tax revenues, cause an increase in and spread of disease and crime, and constitute a menace to the health, safety, morals and welfare of the residents. Forms of blight include such physical characteristics as structural deterioration, missing sanitation facilities, adverse environmental influences such as noise and odors, and deteriorated public water and sewerage systems,

street and drainage facilities and other infrastructure.⁵

Central Business District (CBD): For purposes of this study, the Bureau of Census definition of the CBD is used. The U. S. Bureau of the Census defines a central business district as a census tract made up of census enumeration districts which are bounded by easily recognizable lines.⁶ The Census Bureau characterizes the central business district as:

. . . an area of very high land valuation, an area characterized by a high concentration of retail businesses, offices, theaters, hotels, and service businesses, and an area of high traffic flow.⁷

The CBD follows existing tract lines in order to maximize the value of comparisons over time. "Downtown" and "Central Business District" are used synonymously in the study to designate the central area of the city.

Private Investment: This term includes expenditures made by the private sector that are taxable.

Public Investment: This term refers to Federal, state and local government direct outlays made for infrastructure and other services in the development of the land in the Central Business District. Excluded from this term are tax expenditures that are made through provisions in the Federal tax laws such as tax exempt bonds.

Slum: This term refers to the housing in which one lives. A slum is an area where dwellings predominate which, by reason of dilapidation, overcrowding, lack of ventilation, light or sanitary facilities, or any combination of these factors, are detrimental to safety, health or morals.

Slums are neighborhoods with such structural characteristics that the housing cannot be rehabilitated. A slum is residential in nature as compared to blight which is a broader term that includes excessive land coverage, deleterious land use or obsolete layout, or any combination of these or other factors.⁸

Urban Redevelopment: This term is used to mean the process whereby the physical face and form of the city are changed. Urban redevelopment includes the Federal Urban Renewal Program which sought to change the development pattern of the city through Federal subsidies. Redevelopment and revitalization are used interchangeably.

Need for the Study

Whether to revitalize Central Business Districts is a key question facing cities across the nation. A great deal of emphasis has been given to the most effective ways of revitalizing cities and downtowns because of the rapid growth of the suburbs. As the assumption has been made in the past that the CBD serves vital social and economic functions in the life of a city, the question must be asked: Is the survival of the CBD important in light of changing conditions?

Local government officials are searching for the best combination of programs and actions that should be undertaken to allow cities to achieve maximum physical, demographic and economic development and provide basic community services at a time of diminishing Federal

fiscal resources. This study is intended to provide insight into the answers by analyzing the impact of various Federal, State and local programs and efforts from 1935 until 1985 in the Downtown of Norfolk, Virginia.

Organization of the Study

Chapter I sets forth the purpose of the study, the research questions to be answered, the need for the study, and the rationale for using the case study approach. Chapter II reviews the related literature by asking the question: Is the CBD worth saving? Chapter III analyzes the major Federal and local programs that have been used to revitalize central business districts. The literature on downtowns is examined since the early 1960s because there is an extensive search made of the literature for the period prior to that time by Mary Vance and Shirley Weiss.⁹ The literature review for this study extends to the impacts of public investment on the revitalization of cities because of the strong association between cities and their central business districts. Chapter IV reviews the indicators for measuring revitalization. The physical change in downtowns is measured by design and land use, access and circulation and parking. Demographic change was measured by population, housing, employment and income. Economic change is measured by retail sales, office building activity, conventions, tourism and entertainment, banking activity, assessed valuation, and tax revenues. A review of the CBD

literature shows there is a growing body of literature on urban economic development and how economic theory supports earlier theorists on the growth of cities.¹⁰

Chapter V describes the methodological approach used in determining whether Federal and local government programs have stimulated urban revitalization. A description is provided which explains the relationship between downtown revitalization and the programs and actions believed to influence downtown revitalization, namely, the Federal programs of Urban Renewal, General Revenue Sharing, Community Development Block Grant, Urban Development Action Grant, Tax Exempt Bonds; the local Capital Improvement Program; and the Federal and State Highway Program. Chapter VI reports the findings of the research. In the final chapter, Chapter VII, conclusions are drawn about the effectiveness of the various programs. Recommendations are made for those actions or programs which are most likely to have the greatest impact on the revitalization of downtowns in the future.

Rationale for Using Case Study

The rationale for using the case study is the author's desire to document the outcomes of Norfolk's downtown revitalization efforts over a fifty-year period. Since many of the case studies on urban redevelopment were written in the early 1960s, very little has been written in recent years which looks at city building and revital-

ization from an evaluative perspective over an extended period of time.

Beyond the desire to introduce Norfolk as a case study in the literature, the rationale for using the case study for that city is due to the unusual circumstances that have influenced the revitalization of Norfolk. Few other cities have had the wide and varied problems of neglect and decay that Norfolk experienced in its Downtown and surrounding neighborhoods. Examples of other central cities that have experienced deterioration include the Southwest of Washington, Lake Meadows, and Hyde Park in Chicago, Dixwell in New Haven, Society Hill in Philadelphia, Roxbury in Boston, Downtown Baltimore, and Atlanta.¹¹ It is important, therefore, to report on the facts and the dynamics that occurred in the "run-down" city of Norfolk and draw conclusions that will be of value to other cities.

The CBD was selected because over 90 percent of the area has undergone redevelopment and conservation. The CBD land area contained diversified uses such as housing, industrial buildings, public buildings and retail establishments. The redevelopment of the area is virtually completed, with the exception of a 17-acre tract in approximately the geographic center of the CBD, and land in Freemason Harbour near the waterfront. This advanced stage of redevelopment and conservation allows a more accurate evaluation of the costs and benefits of redevel-

opment and conservation. In addition, the CBD is an area of vital concern to other cities because of its location. Data are also available for the area.

The case study is limited primarily to the Central Business District of Norfolk, although the CBD has to be looked at in the context of the surrounding area. The boundaries of the CBD are outlined on a map in Figure 1. This area is identified as Census Tract 49 and includes the redevelopment and conservation projects undertaken in Downtown.

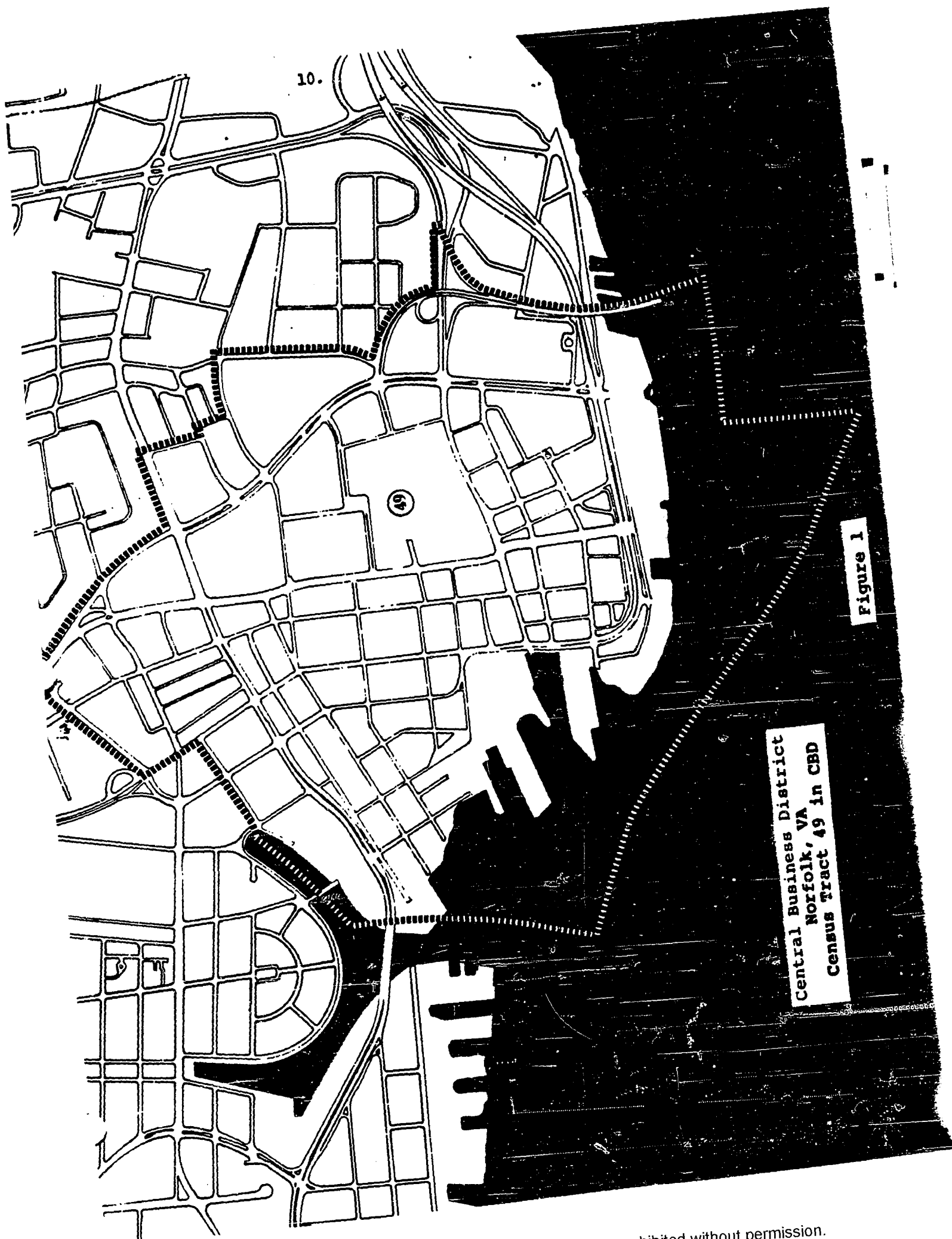


Figure 1

Central Business District
Norfolk, VA
Census Tract 49 in CBD

FOOTNOTES

- 1 U. S. Congress, Senate, Committee on Banking, Housing and Urban Affairs, The Central City Problem and Urban Renewal Policy, 93d Cong., 1st sess., 1973, p. 231.
- 2 Terence K. Cooper, "Public Housing Legislation: How It Evolved," Journal of Housing 41 (September/October 1984): 147
- 3 Ibid.
- 4 James Heilbrun, Urban Economics and Public Policy (New York: St. Martin's Press, 1981), p. 366.
- 5 Virginia, Code of Virginia (1950), art. 7, sec. 36-48(a).
- 6 U.S., Department of Commerce, Bureau of the Census, Central Business District Statistics, 1958 Census of Business (BC 58-CBD 98), p. 3.
- 7 Ibid.
- 8 Virginia, Code of Virginia (1950), art. 1, sec. 36-3 (h).
- 9 See the bibliography prepared by Mary Vance, Central Business Districts Exchange. Bibliography 23, Committee of Planning Librarians, 6318 Thornhill Drive, Oakland, 11, California, January 1963. Also Shirley F. Weiss, The Central Business District Transition (City and Regional Planning Studies, Research Paper No. 1) Chapel Hill: Department of City and Regional Planning, University of North Carolina, 1957.
- 10 The points of view found in the analyses made of urban renewal by earlier writers offer contrasts to some of the case studies in more recent literature. See Martin Anderson, The Federal Bulldozer (Cambridge, MA:MIT Press, 1964); James Q. Wilson, ed. Urban Renewal: The Record and the Controversy (Cambridge, MA:MIT Press, 1966); Herbert J. Gans, "The failure of urban renewal" reprinted in Wilson 1966; and Scott Greer, Urban Renewal and American Cities (Indianapolis: The Bobbs-Merrill Company, Inc., 1965).
- 11 U. S., Congress, House, Building the American City, Report of the National Commission on Urban Problems (The Douglas Commission), H. Doc. No. 91-34, 91st Cong., 1st sess., 1968, p. 1.

CHAPTER II

THEORETICAL OVERVIEW

Is The Central Business District Worth Saving? A Review of the Central Business District's Changing Role

This chapter reviews the related literature to determine the various concepts, theories, functions, and elements of the CBD from a sociological and economic perspective and changing perceptions of the function of the CBD in the growth and development of cities. By looking at the various functions the CBD has performed over time, a better understanding can be reached of the CBD's continued value.

To answer the question whether the CBD is worth saving, it has been necessary also to look at influences adjoining neighborhoods and areas within the region have had on the CBD and the impact of the CBD on the areas encircling it.

Traditionally there has been a real emotional appeal associated with the Central Business District. The CBD or downtown has been considered the heart of a city. Charles Abrams compared downtown to a heart.¹ A city's life, he said, depends on whether its heart continues functioning.

Other writers have acknowledged that "(i)t is common practice in the western world to think of the 'heart of the city' as what is today called the 'central business district.'"² Almost every community has a CBD. In exceptional situations where there is not a CBD, efforts have been made to revise the general plan to have a new central business district.³

James Vance said that where the central business district is found today, the original city was found.⁴ Downtown was the city. He said that although evidence might seem to suggest that retail trade was the initiating force which brought the town into existence, clearly long-distance trade was more significant as an earlier initiator of cities than was local-market trade.⁵

As will be shown in this study, functional change has occurred in Central Business Districts. In some instances, expansion in the city and suburbs has taken place at the expense of downtown. In other cases, the Central Business District has grown in property values and employment. An analysis must look at the changes that have taken place in the land uses and structure of the city so as to provide an answer to the question of whether the Central Business District is worth saving.

An analysis of the question about the future of the CBD without theory would contribute little knowledge of whether the CBD should be saved or not. Therefore, an answer to the question requires an understanding of the

theoretical underpinning of the spatial structure of the city as it accommodates growth. Spatial structure involves the relationship among various land uses in the city as they interact over time. For example, the main land use in the core area of the city that dates back to the preindustrial period has been housing. As the central core of the city evolved, the predominant land use became commercial. The point of focus about which retail and service locations evolved became the Central Business District. Commercial land uses began to force housing to occupy adjoining space. In time the housing became highly congested and overcrowded. Industrial districts were interspersed with residential neighborhoods, resulting in traffic, air pollution, and constant noise. Immigrants settled in the area surrounding downtown because housing was cheap and they could be near the factories. The complexity of observing and describing the interactions of land uses as they evolved in urban areas led to various theories by sociologists, economists, geographers, political scientists, city planners, historians, and other disciplines of how and why cities develop.

Sociological Perspective

There are three concepts advanced primarily by sociologists that have been used to explain the composite effect of competitive forces upon land uses in the city. These are: the concentric-zone concept, the sector concept, and the multiple-nuclei concept. Another theory,

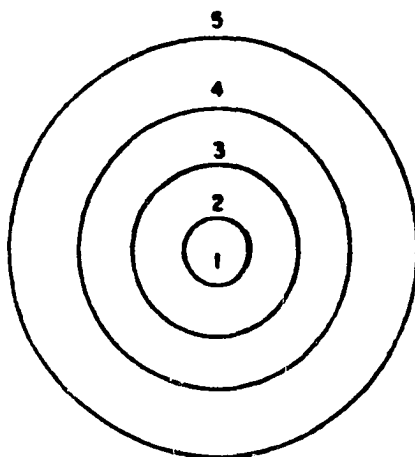
associated with economists, is the central place theory. This concept has confirmed the sociologists' theories and added a more scientific dimension to the explanation of how and why central business districts develop and re-develop. The central place theory will be discussed later. Generalized explanations by Harris and Ullman of the land use patterns of cities are shown in Figure 2. What follows is an explanation of these three concepts of land use patterns and a discussion about the adequacy of these theories in analyzing the changing role of the Central Business District during the past fifty years.

Concentric-Zone Concept. The classic "Chicago Model" of social organization within the city, proposed by Robert Park and Ernest Burgess in the 1920s, sought to explain the unplanned growth patterns of the city.⁶ In his attempt to explain why cities grow the way they do, Burgess saw the city as a series of five concentric zones. At the core is the Central Business District or the "loop" district with "department stores, the skyscraper office buildings, the railroad stations, the great hotels, the theaters, the art museum, and the city hall."⁷

Encircling downtown is an area of transition, which is being invaded and succeeded by business and industry. Also in the second zone are "to be found the so-called 'slums' and 'bad lands,' with their submerged regions of poverty, degradation, and disease, and their underworlds of crime and vice."⁸ The second zone blends into a third

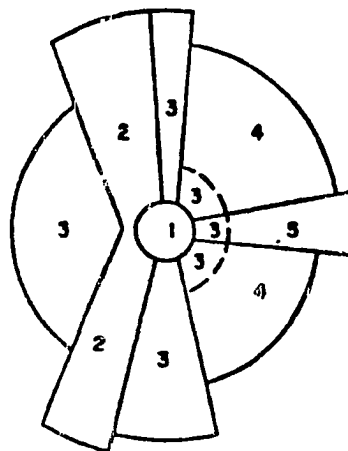
CONCENTRIC-ZONE CONCEPT

1. Central Business District
2. Zone of Transition
3. Zone of Workingmen's Homes
4. Zone of Better Residences
5. Commuters' Zone



SECTOR CONCEPT

1. Central Business District
2. Wholesale and Light Manufacturing
3. Low-Class Residential
4. Middle-Class Residential
5. High-Class Residential



MULTIPLE-NUCLEI CONCEPT

6. Heavy Manufacturing
7. Outlying Business District
8. Residential Suburb
9. Industrial Suburb

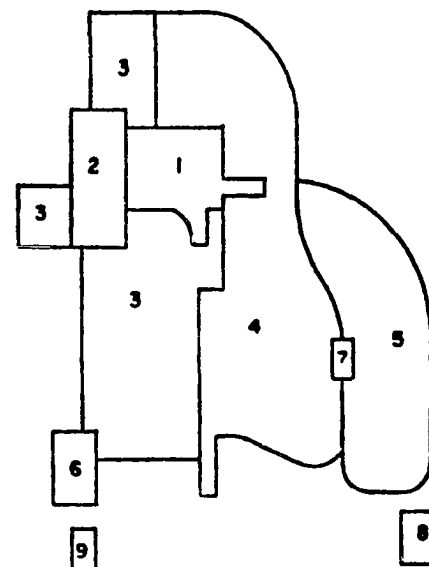


Figure 2 Generalized Explanations of the Land Use Patterns of Cities (Source: Harris and Ullman 1945)

zone inhabited largely by factory and shop workers, but skilled and thrifty. The third area consists of workers in industries who have escaped from the zone of transition but who desire to live within easy access of their work.

The fourth zone is the "residential area." It is the apartment-house region. The fifth zone is the commuters' zone that is found along the arteries of transportation. The zone includes suburban areas of satellite cities that are within a thirty to sixty minute ride of the Central Business District.

Burgess's theory has served as a baseline for examining patterns of change during the past sixty years. In the 1920s Burgess was presenting a point of view and methods of investigation which the University of Chicago's Department of Sociology was employing in its studies in the growth of the city. Burgess recognized his concept was not an ideal scheme because he understood the complications that were introduced by the lake front, the Chicago River, railroad lines, historical factors in the location of industry, and the relative degree of the resistance of communities to invasion.⁹

Nevertheless, the simplistic model showing the major functional areas of land uses in a city and how they change over the years has been a useful concept. Subsequent work was to take into consideration factors that affected urban development such as situation, site, natur-

al and artificial barriers, and many other distortions. Burgess recognized the effects of distorting factors.¹⁰ When Burgess advanced the "Chicago Model" of concentric zones or rings, the rate of intrusion and succession of new land uses into areas of other land uses depended on economic expansion in the city and the rate of population growth.¹¹ In contrast, as Stuart Chapin pointed out, "when urban areas are decreasing in population the outer zones tend to remain stationary but the inner fringe of the transitional zone tends to recede into the commercial district."¹² Chapin contends that the effect of no growth in urban areas is a contraction of the commercial district and the creation of "permanent" commercial as well as residential slums.¹³

Milla Alihan has criticized Burgess's concept on both theoretical and empirical grounds. Alihan said that zonal boundaries are arbitrary divisions and do not serve as demarcations in respect to the ecological or social phenomena they circumscribe.¹⁴ Although Burgess recognized that other factors affect urban development, he contended that "so universal and powerful is the force of expansion outward from the city's core that in every city these zones can be more or less clearly delimited."¹⁵

Lee Haggerty reported that there was a definite trend through time toward a direct association between an area's social status and its distance from the city center.¹⁶ Haggerty looked at changes in educational levels

from 1940 to 1960 in census tracts in eight large cities. He found that the tendency toward higher status on the periphery held even in cities that were experiencing a growth of higher-status groups near the center of the city. Haggarty's conclusion was that over time there appears to be a movement toward a concentric-zone system.

The concentric-zone concept was given mathematical precision in the 1950s and 1960s by urban economists.¹⁷ According to Edwin Mills, owners seek the use of land that yields the greatest return available.¹⁸ Land in the Central Business District is more valuable because it is more accessible to many activities. For example, accessibility increases employment in the CBD at the expense of suburban employment.¹⁹ As population declines as one moves to the suburbs, less intensive use is made of the land by households and firms. The concentric-zone phenomenon, says economists, is not necessarily a natural process of human adaptation to their environment. It is also a process that occurs because many economic activities benefit from the close access to the core of the transportation grid.²⁰

Others hold the position that there can be no pattern of common spatial growth. Maurice Davie argued that no clear pattern of growth exists because topographical features such as rivers, lakes and hills interfere with or take precedence over social or geometrical patterns of growth.²¹ He maintained that level land attracts business;

low land near water attracts industry; and expressways expedite radial expansion.

Research by Leo Schnore for 200 urbanized areas in the United States shows that Burgess's concept does appear to hold, at least for the largest and oldest cities. There is the pattern of higher socioeconomic status in suburban rather than central-city locations. Schnore said that smaller and younger central cities in the United States tend to have populations of higher socioeconomic status in the central city as was the general pattern before the industrial revolution.²² He suggested that with growth and the passage of time, the central city comes to be the main residential area for both the highest and lowest strata, while the broad middle classes dominate the suburbs. Eventually, Schnore said, the central city is largely given over to the lowest stratum as the upper and middle strata occupy the suburbs. Schnore concluded that in a very rough fashion, the last stage corresponds to the original zonal hypothesis of Burgess.²³ A follow-up study by J. John Palen and Schnore found that Burgess's concept holds for the black population in the north and west but not the south.²⁴

Although the studies examined in this review relate to American cities, it is of interest to know what the findings have been in European cities as they relate to the Burgess model. Gideon Sjoberg found that there is a pattern of identification of high-status groups with

central-city location in many European cities.²⁵ He said that the persistence of the feudal tradition has attached high status to residence in the central city. Palen observed that Manhattan doesn't have a "feudal tradition," but it still has a pattern of the well-to-do locating in certain areas of the central city.²⁶ Palen's reasoning was that in large cities, whether in London, Paris, or New York, some people "simply prefer to live where they can easily get to work, easily get a drink or a sandwich at 2:00 A.M."²⁷ Palen argued that, particularly in Europe, "upper-status urban populations live in the city because they feel it is an exciting and attractive place to live."²⁸ Although Sjoberg and Palen observed that there appeared to be an inverse zonal hypothesis in European cities, H. Carter and G. Rowley found in their research of the CBD of Cardiff in the United Kingdom that the theories of Burgess and Hoyt were reflected in the growth pattern of the Cardiff CBD.²⁹ The authors pointed out, however, that the study of Cardiff could not be expected to provide objectively comparable areas for different cities.³⁰ Cardiff is old as compared to American cities and could differ for that reason.

The transformations of urban structure since the 1920s have altered the assumption of Burgess's model. Howard Nelson's description of the concentric circle model aptly depicts the contribution of Burgess to an understanding of urban form and patterns of growth. Call-

ing the Burgess model "a remarkably astute description of the American city," Nelson wrote:

The operating mechanism of the concentric circle model was the growth and radial expansion of the city, with each zone having a tendency to expand outward into the next. Burgess assumed a city with a single center, a heterogeneous population, a mixed commercial and industrial base, as well as economic competition for the highly-valued, severely limited central space. He explicitly recognized "distorting factors," such as site, situation, natural and artificial barriers, the survival of the earlier use of the district, and so on.³¹

Sector Concept. Homer Hoyt argued the case for the existence of radiating sectors of land-use so marked as to justify the advancement in 1939 of a theory of growth so structured.³² Hoyt's theory provided some new insights into the patterning of land uses that led to an explanation of residential land uses.³³ As shown in Figure 2, the growth took place in pie-shaped sectors which extended radially from the city core toward the periphery of the city. Residential areas extended along established lines of travel from the high-income residential area of the central city. Hoyt's concept suggested that high-income housing could radiate from the core in one wedge, a racial ghetto in a second, industrial firms in a third, and working-class residences in a fourth.³⁴ The wedges of residential, industrial and commercial land uses cut across concentric zones. Hoyt conceptualized that the different income classes of a city tend to be found in distinct areas describable in terms of sectors of a circle centered on the Central Business District.³⁵ Hoyt claimed

that high-price areas have a dominant influence on the direction of residential area growth and exhibit growth characteristics which include the following:

1. High-grade residential growth tends to proceed from a given point of origin, along established lines of travel or toward another existing nucleus of buildings or trading centers.
2. The zone of high-rent areas tends to progress toward high ground which is free from risk of floods and to spread along lake, bay, river and ocean fronts, where such waterfronts are not used for industry.
3. High-rent residential districts tend to grow toward the section of the city which has free, open country beyond the edges and away from the "dead end" sections which are limited by natural or artificial barriers to expansion.
4. The higher-priced residential neighborhood tends to grow toward the homes of the leaders of the community.
5. Trends of movement of office buildings, banks and stores pull the higher-priced residential neighborhoods in the same general direction.
6. High-grade residential areas tend to develop along the fastest existing transportation lines.
7. The growth of high-rent neighborhoods continues in the same directions for a long period of time.
8. Deluxe high-rent apartment areas tend to be established near the business center in old residential areas.
9. Real estate promoters may bend the direction of high-rise residential growth.³⁶

Hoyt's theory of urban structure was known as the wedge or sector theory.³⁷ It was based on the movement of high-rent districts in 142 American cities between 1900, 1915, and 1936.³⁸ A conclusion Hoyt reached was to the effect that the high income areas of cities were

in one or more sectors of the city, and not, as Burgess seemed to imply, in a zone beyond the workingmen's homes.³⁹ Hoyt said that an area tended to be pieszaped, and did not form a complete circle around the city. As Hoyt's model took into consideration both distance and direction from the central business district, it has been considered an improvement on the Burgess model.

The criticism by Alihan and Davie of the Burgess model could apply to Hoyt's sector theory. Hoyt's theory could be considered "arbitrary" by Alihan just as he pointed out in Burgess's model. In like manner Davie argued there is no "ideal type." Obviously Hoyt recognized the limitations of his theory as did Burgess. The point that needs to be made is that both theories were describing growth patterns of American cities. As will be shown through this review of the literature, the concentric and sectoral hypotheses of Burgess and Hoyt predated the automobile, the postwar booms in population growth, housing construction, shopping facilities, and in social and industrial mobility.⁴⁰

Multiple-Nuclei Concept. As the city became larger and more complex, Roderick D. McKenzie said "there seems to be a well-defined tendency for the population of a metropolitan region to become multinucleated within the large whole."⁴¹ McKenzie stated that metropolitan population was spreading too widely and too rapidly and that there are a series of nuclei even within the polit-

ical area of a city rather than the single central core postulated by other theories. Figure 2 illustrates the multiple-nuclei concept.

The multiple-nuclei concept was modified by Chauncy D. Harris and Edward L. Ullman in the 1940s.⁴² They argued that urban land uses develop from a number of smaller, distinct centers, or nuclei, and not from a single core.⁴³ Harris and Ullman noted that the number of nuclei and the function of each nucleus vary from one metropolitan area to another.⁴⁴ The Central Business District serves as one nucleus and contains the most concentrated retail commercial activity in the city. The Central Business District is not, however, necessarily located at the geometrical center of the city, but may be off to one side. Other nuclei may appear in the form of industrial or wholesaling centers, and university centers. Even the more distant satellite community has a nucleus to be recognized in the overall land use configuration.

According to Harris and Ullman there are four factors that tend to account for the emergence of separate nuclei in urban land use patterns. These are:

1. The interdependence of certain types of activities and their need for close physical proximity.
2. A natural clustering tendency among certain types of activities that find it mutually profitable to locate together, as evidenced in central business districts, medical centers, and outlying office-building centers.
3. The converse of the last, i.e., the appearance of centers to accommodate activities that have no particular affinity for one another, but are inimi-

cal to other uses by virtue of the traffic they generate, the extensive railroad or truck-loading facilities they require, and so on. For example, high-income or high-status residential areas are usually separated from manufacturing by considerable distance.

4. The related factor of high rents or high land costs which have the effect of attracting or repelling users in the process of nucleation, e.g., storage and warehousing facilities are able to afford only low rental areas because of their relatively lower competitive capacity to purchase good locations.

The multiple nuclei model suggests that unlike the Burgess and Hoyt models there is no one basic structure common to cities. The model recognizes many of the realities of the metropolitan area, leading to the conclusion that there does not appear to be one model on which sociologists agree.

Economic Perspective

Economists have approached the development of the Central Business District and the surrounding urban spatial structure differently from the approaches of the sociologists. Their conceptualization of urban growth and development has been from the traditions of economic theory. According to Dick Netzer, "there is not universal agreement on any theoretical proposition."⁴⁶ The economic factors that shape the decisions by individuals and firms to locate in or near the Central Business District are complicated. What follows is a discussion of theories that have been suggested by economists to explain what factors shape the decisions by households and businesses

about where in the urban area they locate. These are: the trade-off theory, the bid-rent model, and central place theory. Additional theories will be referred to that relate to land use design, zoning and public incentives. Although these theories are more the province of city planners and political scientists, these are overlapping concerns that should be mentioned.

Trade-off Theory. The trade-off theory is thought to have been first formulated by Edgar M. Hoover, at least in contemporary terms.⁴⁷ Hoover expounded the theory initially in connection with a large-scale study of the economy of the New York metropolitan region.

The theory assumes first that both households and businesses will locate so as to maximize accessibility to other people and activities with whom they have, or need to have, frequent contacts.⁴⁸ This means that households will try to locate in areas convenient to their employment, shopping, schools, cultural and recreational activities, and friends and relatives. The business firm wants easy access to a large pool of potential employees, suppliers of services and information, and to its customers. The most important link for the household is between home and job; firms depend heavily on close contact with other firms; and retailers seek locations that maximize their access to customers.⁴⁹ Both households and firms will locate so as to minimize transport costs.

The second assumption is that, other things being equal, households and businesses will try to maximize the quality and quantity of space they occupy. For example, households prefer locations in good neighborhoods. Business firms prefer locations that are well suited to their operations.

The third assumption is that households and firms will try to minimize the cost of space they occupy, while simultaneously trying to maximize their quality.

Hoover and Vernon held that households and firms must "trade-off" among access, space, and price so as to optimize results. They found in their study of the New York metropolitan region that the trade-off process depended heavily upon income and wealth. Conclusions drawn from the study, according to Netzer, were that the very richest households and firms can disregard cost and combine accessibility with spaciousness. An example is the expensive townhouse on Manhattan's East Side. The low-income households must sacrifice quality and accessibility to find housing they can afford.⁵⁰ Hence, the trade-off is that location decisions are made within these extremes of wealth.

Bid-Rent Theory. Under the "bid-rent" model, each household or business firm is assumed to be willing to pay a higher price or rent for those locations that have the most accessibility than for locations with lesser accessibility.⁵¹ Originally developed by William

Alonso, the economic model simulates a process by which potential users bid for land and the landlords sell or rent the land to the highest bidder.⁵² As described by William Alonso:

. . . the method consists of assuming a price of land at the center of the city, and determining the prices at all other locations by the competitive bidding of the potential users of land in relation to this price. The highest bid captures each location, and each bid is related to a most preferred alternative through the use of bid rent curves.⁵³

The bid-rent model is similar to the concentric zone and sector models in the sense that the model was initially developed by Alonso to relate to a single-center city with transportation in all directions. Alonso has since reasoned that the concept "can be extended to cities with several centers (shopping, office, manufacturing, etc.), with structured road patterns, and other realistic complications."⁵⁴ To the extent that the bid-rent model follows a land-use pattern consisting basically of concentric rings, this economic or market model validates the concentric zone model offered by sociologists.

Central Place Theory. Economists and geographers have found central place theory to be an important development in recent decades to increase the understanding of the CBD. Raymond Murphy considers the central-place theory more significant than the concentric-zone, sector and multiple-nuclei in explaining CBD growth.⁵⁵ Murphy stated that central place theory gives credence

to the idea of grouping settlements into a system of distinct classes or "the central-place hierarchy."⁵⁶ He maintains that there can be subsidiary centers within an area, but the CBD is the chief urban center. Murphy uses the central place theory to explain the hierarchy of functions such as specialized retailing, large scale banking and advanced medical services. He stated that such functions are so unusual that people come from all parts of the urban area to take advantage of them.⁵⁷ Murphy feels that central place theory enhances the understanding of the CBD by enlarging the foundations provided by the concentric-zone, sector, and multiple-nuclei theories.

Central place theory is a branch of urban study which began with work done by Walter Christaller in the 1930s and was extended and systematized by August Losch.⁵⁸ The theory postulates a perfectly uniform physical world, consisting of a featureless plane on which transportation is equally efficient in any direction and resources are evenly distributed.

The Central Business District and the Theories of Urban Structure.

Each of the various theories of urban structure discussed above is offered to contribute to an understanding of the worth of the CBD. The Burgess model of concentric zones and the Hoyt sector model place the Central Business District at the center of the city while the Harris and Ullman multiple-nuclei model hypothesizes

that the CBD is one of several nuclei.

Empirical tests have both supported and failed to support the classical theories as adequate hypotheses for understanding the Central Business District. Maurice Davie argued that there is no universal pattern of spatial growth.⁵⁹ Leo Schnore disagreed with Davie saying that Davie was mistaken because Burgess's model does appear to hold, at least for larger and older American cities.⁶⁰ Carter and Rowley support Schnore's position in the case of Cardiff. James Pinkerton suggested that the patterns that Schnore said apply to larger cities are increasingly found in smaller areas as well. Pinkerton came to this conclusion on the basis of a longitudinal study of 198 metropolitan areas.⁶¹

The classical theoretical explanations of land use changes in cities all assume the outward growth and development of the city. All three models show relationships between location and demographic and economic conditions and are useful in understanding and analyzing cities over time. It is this evolutionary process that will now be discussed to gain insight into the question of whether the Central Business District should be saved, and if so, what functions should remain.

As noted elsewhere, Central Business Districts have occupied prominent roles in the past as activity centers. Occupied initially as a center for housing, the

CBD's function began to change as improvements in transportation were made. For example, Mark Girouard described how "better public transport" facilitated the growth of suburbs in London in the 1820s. He said that the change was partly caused first by horse omnibuses which spread over London, then local railway lines, horse trams and finally electric trams.⁶² According to Girouard the working classes were the last to move to the suburbs because the cost of transport made it impractical for them to move out to the suburbs.⁶³

Larry Smith observes that the introduction of the automobile as a means of personal travel and the development of new highways have contributed to the changing requirements for satisfactory urban living in American cities.⁶⁴ This, he says, reduces the CBD's share of regional growth. Although acknowledging that the process of decentralization preceded the general use of the automobile for personal transportation, Smith contends that the automobile has accelerated the process of decentralization.⁶⁵ The automobile made invalid parts of the concentric-zone and sector theories because no longer was it necessary to locate along railroad lines. Some would disagree that the classical theories were made invalid because of the automobile. John R. Seeley argued that many people are "trapped" in downtown and cannot move far beyond the second ring described by Burgess because they cannot afford to

move, or are otherwise bound to their present location.⁶⁶ Seeley defines the "trapped" people as those who stay behind when a neighborhood is invaded by non-residential land users or lower-status immigrants.⁶⁷ He speaks of the "downward mobiles" as a related type. There are people who may have started life in a high class position, but have been forced down in the quality of their housing and other accommodations. Many of these people are old people, living out their existence on small pensions, Seeley maintains. Such observations as those made by Girouard in his description of London in the 19th century and Seeley of cities in America in the 20th century add credence to the Burgess and Hoyt models.

The multiple-nuclei model appears to hold the best hope for explaining what is happening in metropolitan areas. With changes occurring in cities through urban renewal, community development, conservation and other public programs, the central business district must adapt. The adaptation depends largely on the controls placed on the use of the land, such as zoning, building codes, highway changes, subdivision control ordinances, and other public controls.

Whether downtowns are worth saving is an issue often beyond public control. In practice and in theory, equilibrium must exist between the private and public sectors in order for both to achieve their goals. If the theory expounded by Harris and Ullman

that certain activities group together for mutual advantages and if empirical data show a growth of certain office functions in downtown, then it appears that downtowns will be necessary for office functions with or without public intervention. Although affluence and technological advancements such as transportation, communication and production have strengthened the metropolitan area in terms of growth as compared to the central business district, it cannot be concluded that the CBD has been rendered totally obsolete. Benjamin Chinitz makes the point that single jurisdiction metropolitan areas would make the task of saving the central city easier because the tendency to decentralize would be weaker and the fiscal resources of the entire metropolitan area could be more focused.⁶⁸ But in the real world of multiple jurisdictions, the questions of saving the central core becomes questionable, especially as numerous nuclei develop. For many the answer is one of economics. If public officials feel that the goal of saving a downtown involves high opportunity costs, then the choice of whether to give up the CBD has to be made.

The choice to abandon a CBD is not one that is likely to be made without a serious examination of the long term consequences. There is disagreement among urbanists, however, as to what the trade-offs are in revitalizing a CBD. Some argue that the opportunity

costs are too great and that money should be allocated to other uses. For example, in those cities that have downtowns showing age and wear and deleterious land uses, the decision to save the city by redeveloping the Central Business District is reached with trepidation. Through the process of reinvestment in downtowns and high conservation standards, many downtowns are not as blighted, dilapidated, or ridden with filthy slums which characterized many CBDs in the 1940s and 1950s. In the words of Paul E. Peterson:

Two or three decades ago urbanists sought to save the industrial city by redeveloping Central Business Districts, or creating model cities that would transform poverty-stricken neighborhoods, or "energizing" citizens to participate in planning their community's future. Few would venture to propose such schemes today.⁶⁹

Peterson's observations reflect the impact of the political, economic and social changes that have occurred in the last two decades to move the emphasis of the Federal Community Development Block Grant Program away from clearance and to rehabilitation. For example, HUD Secretary Samuel R. Pierce, Jr. reported to the Congress of the United States in 1984 that "(i)n recent years, the largest share of the CDBG program's funds . . . has gone increasingly to rehabilitating private dwellers."⁷⁰ This use of CDBG funds is an indication of the reduced priority of slum clearance in the 1980s given by the Congress.

A reduction in Federal funding to central cities

may result in CBD's experiencing the urban pattern of growth of the Burgess or Chicago model. As the metropolitan shopping centers and office squares siphon off the business establishments of the Central Business District, the CBD will contract. This will result in vacancies on the outer ring of the CBD. As owners of the property will expect an eventual expansion of the CBD, the area is likely to become what Burgess referred to in his day, the zone in transition. That this is occurring can be seen in the reduction of Federal grants to central cities. Donna Shalala noted that sole reliance on block grants has "actually made some central cities absolutely worse off than they had been under the previous scheme of categorical grants"71

Core cities in some regions of the country face declining central business districts, a reduction in Federal grants and the necessity for providing adequate municipal services. The decision as to whether to place a city's limited public resources in downtown in order to stem the flight of traditional CBD functions to the suburbs is a major issue. According to Richard Gordon Hatcher, core cities are not able to stem the flight without a sizable infusion of Federal assistance.⁷² Hatcher suggests that the urban problem in America today is inextricably linked to racial discrimination. As there is considerable discussion in the literature on the importance of dealing with racial discrimination

in achieving the goals of minority citizens to get jobs, better schooling, and better neighborhood conditions, this issue has been deliberately avoided. Walter Williams suggests that racial discrimination and racial bigotry are neither complete nor satisfactory explanations for the current condition of many blacks in America.⁷³

An Interpretation of the Central Business District and the Theories of Urban Structure.

The review of the related literature on the evolutionary growth and development of the Central Business District has shown that the conceptual models advanced by sociologists and economists have been widely used to explain the phenomena that have occurred since cities began. The disciplines of sociology and economics support the finding that CBDs serve a useful function. Divergence in points of view from these disciplines relate to how change is impacting on the future role of downtowns.

Sociologists and economists have validated the concentric-zone, sector and multiple-nuclei models of urban growth. Although technological advancements in transportation have caused shifts in the location of families and firms within a metropolitan area, cities continue to find that a center or several centers are needed to support population growth. Sociologists have explained the growth and development of the CBD in

relation to people's preferences as to where they want to live and work. Factors of the environment, proximity to social and cultural institutions and geographical consideration influence their preferences. The CBD represents a use to sociologists that is to be enjoyed by people. Economic benefits are secondary.

Economists approach the growth and development of the Central Business District from an efficiency standpoint. Their interest is in a city's having a strong economic base. This economic base for a city is dependent on the CBD as an important variable. Historically families like to locate near each other for economic as well as social reasons. Firms prefer locations near other firms because of greater possibilities for increasing returns to scale. The economic principle that greater benefits result because of better accessibility holds for both families and firms.

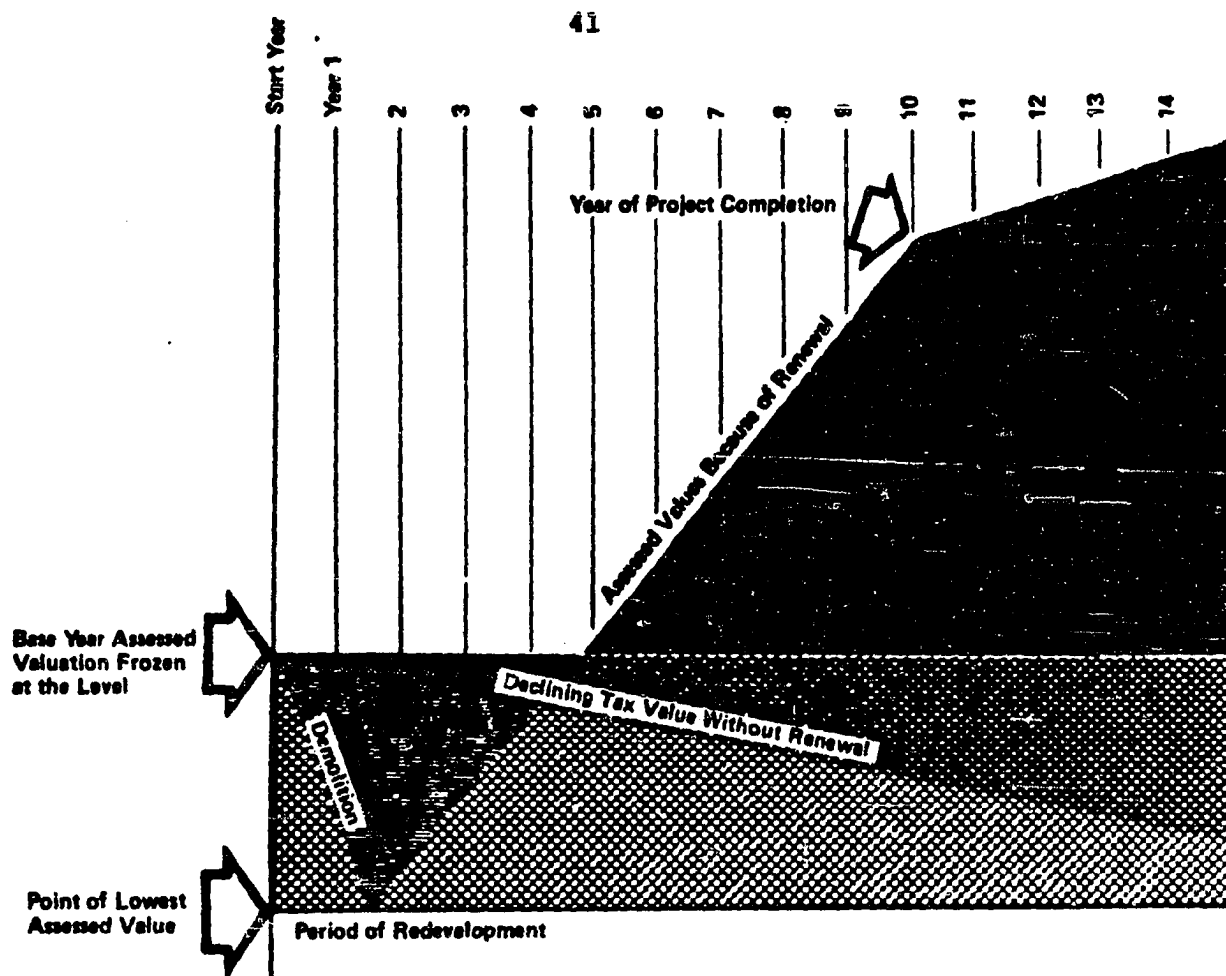
Economists feel that CBDs will survive and serve a useful purpose as long as they can be competitive. The large city can often be more competitive because it has the population and purchasing power to support various private and public operations in a CBD. The smaller city can support a CBD because there is insufficient market demand for competition within the city's immediate area. Small cities require city halls, banks and related facilities that enhance their competitive position. It is the medium size city that is caught in a

dilemma. Government becomes large enough to establish satellite offices. Banks establish branches. Department stores locate in the suburbs to the disadvantage of the CBD but to the advantage of the families who have moved from the neighborhoods that formerly supported their downtown location. If the medium size city does not take action to improve its competitive position, the flight of families and firms is accelerated. Unfortunately for political and ideological reasons the city is not always able or willing to subsidize the private firm through public infrastructure improvements or other inducements. The result is a further deterioration of the central city.

Research has shown that cities must grow socially and economically in order to sustain themselves and those within their political boundaries. Each city represents a different situation. Economic incentives may not be necessary for some cities because of demographic and related factors. For other cities of all sizes survival and growth can occur only with the appropriate amount of public intervention. This intervention can be in the form of money, political leadership, and other stimuli. There is no formula that applies to all situations. For those cities that are beginning to decline socially and economically, public investment should be made early to avoid social and economic costs that will be a long lasting. There is a level of equilib-

rium that must be sustained. Maintaining that equilibrium through public investment often offers the only hope.

The model presented in Figure 3 is adapted from a model developed by the staff of the Florida Department of Veteran and Community Affairs describing tax increment financing.⁷⁶ Without public intervention the tax value of CBD's private capital assets will decline. It is better to arrest the loss early and prevent the long suffering ahead. It is apparent from the model that not only will more taxes be lost each year because of demolition but also the undertaking to change the downward sloping line to an upward sloping one will become increasingly more difficult.



Taxes that would have been lost without the program



Taxes lost because of clearance—never recovered



Taxes paid to taxing agencies during renewal period



New tax increment used for debt repayment

Figure 3. Tax Increment Model

FOOTNOTES

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CHAPTER III

BACKGROUND FOR URBAN PUBLIC POLICY

Public Programs for Revitalizing Central Business Districts

This chapter of the literature review traces the development of Federal and local programs that have been adopted over the last half-century in the revitalization of cities. As this research study is concerned with the revitalization of central business districts, the literature review has concentrated on selected programs that have been used in the eradication of blight and the revitalization of cities, especially the CBDs. Because most of the slums and blight were in the central core of American cities, the housing problem was of primary importance to cities in the revitalization of downtowns. The review begins with the National Industrial Recovery Act of 1933 and concludes with a discussion of the legislation under consideration by Congress in 1985 to cope with urban housing and community development problems. Appendix A provides a complete chronology of Federal housing and community development legislation.¹

Federal

Slum Clearance and Public Housing: 1933-1949. The revital-

ization of central business districts dates back to the early 1930s when various "pump priming" and subsidy programs began in an effort to build housing and rehouse slum dwellers and other low income families. On June 16, 1933, the National Industrial Recovery Act (NIRA) was enacted.² Under the NIRA the Public Works Administration (PWA) was established in order to implement the congressional mandate of putting people to work through the construction of worthwhile public works throughout the country. Immediately upon passage of the Act, Harold L. Ickes, then Assistant Secretary of Interior, was named Administrator of the Public Works Administration. The PWA provided for two types of housing programs.³ Under one program, loans were offered to limited dividend housing corporations for the construction of housing. The other program provided for direct Federal construction of low-rent housing projects. Both programs were subsequently administered under a Housing Division of the PWA that was created in February, 1934.⁴

By 1934, the limited dividend housing loan program had not proven to be effective. Only seven loans had been made, despite hundreds of applications for such projects. The reason for the failure of the program was that corporations discovered they could not pay full taxes and provide housing for low-income families at rents they could afford to pay.⁵ The consequence of the failure of the housing loan program caused the direct Federal

construction program to be "energized" in 1934 by the Housing Division of the Public Works Administration.⁶ Under the second program, which enabled the Federal government to build and operate housing, a total of 52 housing projects were built in 36 cities to house slum dwellers and other low income families.⁷ By 1937, some 22,000 housing units were completed under the program.⁸ No city had more than two projects.⁹

It is of interest to note that not until Ohio passed a law in the fall of 1933 was any state enabling legislation enacted that authorized the creation of local housing authorities.¹⁰ Not until 1937 was there a Federally-assisted program designed to aid such local authorities. By the time local housing authorities were in existence under state law, a "PWA tradition of building and running its own projects was already established."¹¹

A change in the philosophy of housing program administration began to occur as early as 1934 because of the increasing need expressed by cities in the Federal construction program and the realization by the Congress that the Federal government's ownership and operation of public housing in the American city could have far-reaching consequences. This shift in philosophy evolved between 1934 and 1937. In 1934, public housing projects were built by the Federal government with local advisory bodies of approximately 20 people assisting the Federal govern-

ment to put the housing program in place in the respective city. The advisory bodies were appointed by Secretary of Interior Ickes. Their function was to advise the Housing Division of the PWA on the selection of sites and operational policies.

In order to move construction speedily, most projects were built in two phases. The first phase called for the design of the foundation of the housing units while the second phase was for the superstructure. The purpose of having a two-phased approach was to allow the Federal government to obtain bids for the foundation in a matter of few weeks while the superstructure was being designed.¹²

Based on the experience of the Housing Division of PWA in constructing the 52 housing projects and the escalating need that was being manifested by cities' interest in the program, the leaders in government felt that in order to meet these needs, the Federal government was not in the best position to be the public entity for providing the housing. So, the philosophy began to change during the program. The conclusion was clearly reached that if any significant amount of public housing was to be built with Federal assistance and targeted to the circumstances existing in a given community, that the shift had to move to a Federally assisted program that was initiated, developed, owned and operated at the local level.¹³

The ultimate legislation provided for Federal assistance in two forms. One form allowed for a cash grant to build the housing. The other form provided for a guarantee on the part of the Federal government to pay off the debentures issued by the locality for the construction of public housing. Under the latter form, the Federal government would, to the extent necessary, meet with a subsidy the debt service costs on those bonds in each year throughout the amortization period. Under both forms, the housing would be operated by a properly constituted local public body under constraints and restrictions that assured the accomplishment of the national policy that was inherent in the legislation. The two features ultimately became a part of the Housing Act of 1937. Although the Housing Act of 1937 incorporated both the cash grant and guaranteed loan features, the cash grant feature was never used. It proved to be more politically acceptable to use the feature that guaranteed the repayment of loans than to appropriate large outlays for front-end grants.¹⁴

The United States Housing Act of 1937 created the United States Housing Authority (USHA) in the Department of Interior. The purpose of the Act was to assist communities in clearing slums and housing low income families. Although the political emphasis at the time was shifting towards greater Federal control, the U.S. Housing Act of 1937 provided that housing was to be locally owned and

operated by housing authorities created under the State laws.¹⁵ These State laws authorized local housing authorities to construct, own and control public housing projects.

The Act of 1937 prompted a rash of State enabling laws that were necessary to put localities in a position to use the Federal assistance program in that Act. By late 1937, a total of 29 states had passed enabling legislation and 46 local housing authorities had actually been established.¹⁶ As a result of the efforts of USHA and many personalities who were to continue in the struggle for public housing programs in the future, over 50,000 public housing units were put under construction in 1939.¹⁷

A description of the process by which local housing authorities operated in relation to the Federal government is important as background. The process was this. The local authority would borrow from private sources the funds necessary to construct the housing. The Federal government would guarantee to the lender the funds necessary to meet the debt service costs in each of the years over which the borrowing was scheduled to be amortized, usually 40 years. The local agency would set the rents appropriate for low income families. With the Federal subsidy limited to the annual debt service costs, the rents would, of necessity, have to be at least sufficient to meet the operating costs, exclusive of debt service in any given year. The extent to which the

income from these rents exceeded the operating costs in any given year, that amount would be applied to the debt service costs in that year, thus reducing the Federal government's subsidy payment under its debt service guarantee.¹⁸

In spite of the desire by the Federal government to avoid being in a business it was not prepared to handle, critics accused USHA of issuing regulations which resulted in inferior public housing. Stephen David and Paul Peterson observed:

As laudatory as these features were, they were offset by a number of regulations issued by USHA that resulted in inferior housing, including limitations on the physical structure of the project (maximum size of rooms, maximum costs per room) and income limitations on tenants (both maximum and minimum). And these were not substantially altered when the continuation of the public-housing program was authorized by the Housing Act of 1949.¹⁹

Urban Renewal: 1949 - 1974. In 1949 the United States Congress enacted legislation that had as its stated objective the elimination and prevention of slums and blight and the achievement of the national goal of "a decent home and a suitable living environment for every American family."²⁰ Prior to 1949 the legislative history of urban redevelopment was interpreted as shelter-related. Under the 1949 Act, Congress authorized a major program to deal with slum clearance as well as continue the public housing program. The 1949 Act established broader purposes of redevelopment for economic and physical improvement, yet it envisaged redevelopment as primarily a matter of demolishing residential slums and replacing them with

higher-quality residential structures.²¹ The urban redevelopment program created by the 1949 Housing Act recognized that "public housing kind of slum clearance" could never rebuild the neighborhoods that had deteriorated during the Depression and World War II.²² Urban redevelopment (later call "urban renewal" under the Housing Act of 1954) was not a goal but a tool to be used by a local community.²³ Subsequent amendments to the 1949 Act gave increased attention to non-residential forms of renewal.²⁴ It was not until the passage of the Housing Act of 1954 that cities were authorized to spend Federal capital grant funds for non-residential projects.²⁵ Gradually, the predominantly residential requirement was relaxed by Congress and cities were given greater freedom to undertake non-residential projects.²⁶

The change in emphasis to non-residential areas by the Federal government caused cities to examine their downtowns. According to Jerome Rothenberg, downtown areas had suffered from two related developments. These were:

1. Middle income and upper income consumers were moving away from downtown and becoming more attracted to decentralized shopping centers, and
2. The downtown areas were becoming surrounded and sometimes invaded by blight that decreased the competitive status of the areas.²⁷

By 1968 over \$7 billion had been spent or committed for urban renewal, from public sources.²⁸ In addition,

billions of dollars had been spent by the private sector in rebuilding the cleared areas.²⁹ Achievements and weaknesses of urban renewal were expressed before the National Commission on Urban Problems in 1968. The achievements and weaknesses of urban renewal were summarized in paragraphs from the Commission's report and are included in Appendix B.³⁰

Urban redevelopment through the Federal Urban Renewal Program was in great demand during the 1950s and 1960s. Studies boasted of the accomplishments of the Urban Renewal Program. For example, a study prepared by the Congressional Research Service of the Library of Congress stated that "local tax revenues from project sites after redevelopment have been several times as great as before redevelopment, reflecting greatly assessed valuation."³¹

The findings made by government leaders, the news media and many people in the United States that urban renewal is good and desirable was challenged severely by Martin Anderson in his devastating analysis of urban renewal, The Federal Bulldozer. For Anderson, urban renewal was a failure. He said:

There are clear indicators that the program (urban renewal) is not fulfilling the goals set forth by Congress; after more than a decade of experience, urban renewal has not yet produced significant benefits.³²

Critics writing in the 1960s opposed the Federal Urban Renewal Program for various reasons, most of which

were variations of the weaknesses reported to the Douglas Commission. There were other forces that added to the demise of the Urban Renewal Program such as the strong support from mayors across the country in the 1970s to consolidate the Urban Renewal Program and certain other categorical programs into the Community Development Block Grant Program.³³

From the vantage point of the middle 1980s the results of urban renewal are seen more clearly. Heywood Sanders observes that much of what is seen as signs of the revival of the city are its fruits, finally blossomed. He writes:

The Quincy Market renovation in Boston, the Gallery shopping mall in downtown Philadelphia, the Charles Center and Inner Harbor projects in Baltimore all represent the results of urban renewal. The full economic and social meaning of these physical results is only now becoming apparent. Too late, we may have learned the mistakes of renewal so well that we are unable to duplicate its successes.³⁴

In response to changes that were made through CDBG, the emphasis in the 1970s was one of experimentation with various types of urban redevelopment programs in order to determine which programs were the most cost effective. A broader question became that of determining which program or combination of programs have worked. After more than three decades of experience, different answers emerge.

General Revenue Sharing (GRS): 1972 - 1985. The General Revenue Sharing (GRS) program has been an important program to cities that are trying to cope

with fiscal emergencies. The program was enacted by the Congress as the State and Local Fiscal Assistance Act of 1972 in an effort to reverse the trend toward an increasing concentration of power in Washington at the expense of state and local autonomy.³⁵ Essentially the program provided for the direct allocation of Federal grants to local units, with few strings attached.

The original Revenue Sharing legislation authorized payment of \$30.2 billion to state and local government over a five-year period beginning January 1, 1972 and ending December 31, 1976 to be used in almost any way the state or local government desired.³⁶ Under a subsequent amendment in 1976 (P.L. 94-488) the Congress authorized the distribution of an additional \$25.5 billion between January 1, 1977 and September 30, 1980.³⁷ In December 1980, the Congress enacted legislation (P.L. 96-604) that reauthorized the Program for three years beginning October 1, 1980 and ending September 30, 1983 at an authorized funding level of \$13.7 billion for the three years.³⁸ The most important change in the 1980 legislation was the elimination of payments to State governments. State governments have not received payments under the program since FY 1980.³⁹ The Local Fiscal Assistance Amendments of 1983 (P.L. 98-185) reauthorized the program for three years at an annual funding level of \$4.6 billion and did not provide for payments to State governments.⁴⁰ The amendments in 1983 (P.L. 98-185) renewed the General Revenue Sharing

Program until September 30, 1986 at same level of funding.⁴¹ Amendments in 1983 also eliminated the authorization of appropriations to State governments.⁴² The amended 1983 Revenue Sharing Act required recipient governments to hold at least one Revenue Sharing budget hearing before adoption of a budget.⁴³

The question became in 1985 one of whether the Federal Government or the cities was in the greatest need of financial assistance. The political wisdom among some in Congress was that it was silly for Washington to send money to state and local governments when many of these governments had surpluses and the Federal Government was suffering from severe deficits.⁴⁴ Locally elected officials and the National League of Cities did not agree that cities had surpluses. It was their position that cities had taken deep cuts in key programs during the 1970s and 1980s and the elimination of the General Revenue Sharing Program would significantly reduce cities' capacity to meet new burdens.⁴⁵

The National League of Cities expressed the viewpoint that cities had been penalized for being fiscally responsible. The League's point of view was that cities had raised taxes and user fees, cut services, laid off employees and balanced their budgets during a time of severe recession and sharp cutbacks in federal assistance. Federal proposals to eliminate the General Revenue Sharing Program indicated that since cities had done such a good

job managing their budgets, they should be responsible for Federal problems as well. The Federal problems were seen as meeting the growing needs of the homeless, unemployed, hungry, untrained, and uneducated.⁴⁶

Support for the continuation of the General Revenue Sharing Program was expressed by Representative Ted Weiss of New York.⁴⁷ Congressman Weiss was in 1985 Chairman of the House Government Operations Subcommittee on Intergovernmental Relations and former member of the New York City Council. He said that the GRS was crucial for enabling local government to provide education, police, fire, health care and other vital services. He noted that it was ironical for the Federal Government to force local governments to raise taxes when the administration has promised that no taxes would be raised to reduce the deficit. Weiss said cities would have to increase property taxes by an average of 25 percent if revenue sharing were killed.⁴⁸

The 99th Congress that convened on January 3, 1985 rejected President Reagan's plan to abolish general revenue sharing. The Congressional Budget Resolution (S Con Res 32) provided that revenue sharing would receive full funding in Fiscal Year 1986 but would be terminated at the end of the year.¹²⁶ In October 1985 Senator David Durenberger (R-Minn.) was making plans to introduce legislation which would restore full funding for General Revenue Sharing.⁵⁰ His plan was to increase the proportion

of aid going to communities with few resources, while reducing and even eliminating aid to jurisdictions above the state average in fiscal capacity.⁵¹ In the meantime the U. S. Treasury Department had refused to advise cities of their General Revenue Sharing allocations for Fiscal Year 1985-86 because no Federal budget had been adopted as of October 1, 1985.⁵² The Treasury Department explained that it could not calculate or release allocations until the President signed a bill that would allow the funding.

Community Development Block Grant (CDBG): 1974 -1985. The Community Development Block Grant (CDBG) program was authorized by Congress in 1974 by the Housing and Community Development Act of 1974.⁵³ Title I of the Act stated that the primary objective of the title was the development of viable urban communities, by providing "decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income."⁵⁴ This Act consolidated several previous categorical grant-in-aid programs, one of which was Urban Renewal.⁵⁵

A major component of the CDBG program was the allocation of funds. Under the 1974 Act communities were allocated funds through entitlements or through discretionary grants distributed by the Secretary of Housing and Urban Development. Entitlements were distributed on a needs formula which considered population, poverty and housing overcrowding, or from a "hold harmless" average of grants received during the period 1968-72.⁵⁶ By "hold

harmless" it was meant that cities and urban counties which had been receiving a higher level of funding under the prior programs, would continue to receive the higher level (be "held-harmless") during the first three years.

The Housing and Community Development Act of 1980 included new provisions regarding the allocation of funds. The 1980 Amendments excluded through FY 1983, all data derived from the 1980 census except population and poverty from the allocations formula.⁵⁷ The 1980 Amendments also required the Secretary of Housing and Urban Development to submit a report to Congress with respect to the adequacy, effectiveness, and equity of the CDBG allocation formula by not later than January 1, 1983.⁵⁸

Through Fiscal Year 1985, the sum of \$37.1 billion had been appropriated for the CDBG program.⁵⁹ Approximately 725 cities and counties received entitlement grants and some 2000 communities received funding under the small cities program.⁶⁰

According to OMB Budget Examiner Paul N. Weech, since 1980, the number of entitlement recipients had grown from 658 recipients sharing \$2.7 million to an estimated 830 recipients sharing \$1.8 billion in 1986.⁶¹

Support for the Community Development Block Grant program was strong among the large and small communities administering the program. The program was viewed as an essential tool by localities to help them stem the tide of blight and revitalize their communities.⁶² CDBG had become

a targeted program which had had a significant impact on local economies through job creation, physical redevelopment and improved local tax base.⁶³ Information drawn from a 1980 survey of entitlement quarters throughout the United States showed that community development programs had improved public facilities and contributed to economic development.⁶⁴ Subsequent reports of the Department of Housing and Community Development have stated that the key policy issue of the Federal government has been targeting of benefits, especially to lower income groups.⁶⁵

A supplement to the CDGB program was the Section 108 Loan Guarantee program. As of December 1983, a total of 157 communities were using the program.⁶⁶ According to the National Association of Housing and Redevelopment Officials (NAHRO), the majority of users of the program said downtown economic development projects involving acquisition and relocation would not have proceeded without the loan program.⁶⁷

The Section 108 Loan Guarantee program authorized HUD to guarantee loan obligations of communities to finance projects.⁶⁸ Communities were authorized to use their CDBG funds provided they were repaid within six years. Because the loan had to be secured by a pledge of future CDBG funds, the Fiscal Year 1985 Appropriation Bill had report language directing HUD to extend a demonstration to permit payback within 20 years to encourage more localities to participate in the program.⁶⁹

It was reported by NAHRO that the CDBG and Section 108 Loan Guarantee programs had accomplished the objective of encouraging significant progress in the area of public-private partnerships and increased leveraging of private funds by public dollars.⁷⁰

As part of its submission on Monday, February 4, 1985, of the budget for the Fiscal Year 1986, the Office of Management and Budget proposed a 10 percent cut in funding for the Community Development Block Grant program with the possibility of phasing the program out completely over a longer period of time.⁷¹ The Administration proposed to eliminate the Section 108 Loan Guarantees.⁷²

In 1979 the evidence suggested that the CDBG Program would continue and would take on more of the characteristics of the categorical programs.⁷³ By 1985 the proposed Federal budget cut of 10 percent in CDBG funds for the Fiscal Year 1986 was expected to have "either an adverse effect or a very adverse effect on their cities."⁷⁴ This conclusion was reached on the basis of a questionnaire that was mailed to a sample of more than 400 mayors of cities over 30,000 in population.⁷⁵

The Fiscal Year 1986 appropriation was cut 10 percent from its 1985 level to \$3.12 billion.⁷⁶ For Fiscal Year 1987, the Administration was proposing to cut the program to \$2.6 billion annually, a reduction of 16.7 percent.⁷⁷ With the three year authorization for CDBG expiring September 30, 1986, public support appeared to be

weakening for the program's continuation. In January, 1986 NAHRO was praising the CDBG program as "the best means by which to revitalize America's communities."⁷⁸ At the same time The Washington Post was questioning the need for the CDBG program. The editor of Post wrote that the question Congress should ask was not why the CDBG program should be cut, but why it should remain.⁷⁹ The editor criticized the program as "marginal or of altogether local benefit."⁸⁰

Urban Development Action Grant (UDAG), 1977 - 1984. The Urban Development Action Grant (UDAG) program was designed to provide federal financial assistance to distressed communities.⁸¹ The Department of Housing and Urban Development expanded on this purpose by saying that "(t)he Urban Development Action Grant (UDAG) Program is assisting distressed cities and urban counties in promoting economic development."⁸²

Established by Congress in 1977, UDAG evolved from an untested urban development concept into a second mortgage financing instrument.⁸³ Its purpose was to serve a catalytic role to create economic value where little or no value existed before. If the project succeeded, a city received increased economic benefits through increased local tax revenues and new employment opportunities. As refined in 1981, the program's purpose became one of assisting communities that were experiencing severe economic distress with activities to aid in recovery.

Under the Reagan administration, as of May 1983, 1,068 projects in 367 cities had received \$1.36 billion in action grants. These action grants had leveraged over \$7.8 billion in private investment.⁸⁴ This is a ratio of 5.7:1 or a higher ratio than attributed to the Urban Renewal Program.⁸⁵

Praise for the success of the UDAG program came in 1985 from the Office of Management and Budget. In prepared remarks commenting on the UDAG Program, Paul Weech said:

The program has provided undeniable benefits for certain cities and it is easily the best program of its type to come along from the standpoint of leveraging private investment, providing only the minimum amount of subsidy available, allowing the subsidy to be structured to meet the needs of particular project, and in being administered by a high-quality professional staff.⁸⁶

Notwithstanding this praise, the effort to terminate the UDAG Program was part of an across-the-board, Government-wide strategy to eliminate all local economic development subsidies. One of the reasons given by the Administration for wanting to terminate UDAG was that the program did not add to national investment or job creation. The explanation was given that Federal economic development subsidies politically reshuffled the national economy, not expanded it.⁸⁷

The House Banking Committee reported a bill (HR1) on July 10, 1985 that mandated that 60 percent of UDAG funds be awarded on the basis of economic distress, while 40 percent be based on the quality of the project. This

provision was placed in the legislation because of complaints that UDAG grants had been going only to older cities in the Northeast and Midwest. The provision was expected to send more money to newer cities.⁸⁸

The three-year authorization for UDAG had an expiration date of September 30, 1986. As the date approached, support was sought by NAHRO for a three-year reauthorization at a funding level of at least \$440 million annually.⁸⁹ The Committee on Banking, Finance and Urban Affairs of the U.S. House of Representatives was fighting off a proposed reduction in UDAG funds by the Administration for Fiscal Year 1986 from \$330 million to \$80 million.⁹⁰ The proposed deferral and rescission by President Reagan of \$250 million in UDAG funds for Fiscal Year 1986 came only two months after the President had signed H.R. 3038 which funded UDAG at \$330 million, a reduction of \$110 million from the amount funded in Fiscal Year 1985.⁹¹ Since 1985, UDAG had been cut from \$675 million to \$330 million in Fiscal Year 1986, or a decrease of 51 percent.⁹² The anticipated deferral and rescission would in effect terminate a program that had had a proven record of generating jobs and revitalizing distressed areas.

The compelling arguments that demonstrated a vast need for the UDAG program in the future were not convincing. As the 99th Congress debated the issue, the case was not being made effectively that the persistent uneven-

ness of economic recovery throughout the nation was leaving distressed areas unable to attract or finance private development.

Tax Exempt Bonds, 1977 - 1985. Tax exempt bonds represent a form of subsidy just as general revenue sharing, community development block grants and other grant programs. The difference is that tax exempt bonds are subsidies delivered through the tax system, whereas the other programs are direct governmental expenditures. CDBG, GRS, UDAG and other direct expenditures enter the budget as outlays, while the tax exempt bonds are tax expenditures that reduce receipts. Tax expenditures are features of the income tax laws that provide special incentives. Tax expenditures can generally be viewed as alternatives to other means by which the Federal Government can carry out policy objectives, such as direct outlays, loan guarantees, regulations, and other tax law provisions.⁹³

There has been a continuous battle between those who advocate greater use of tax expenditures for economic development and those who prefer direct outlays. The argument by those resisting tax expenditures is that the proliferation of special tax provisions complicate the tax laws and are frequently less efficient than direct expenditures. Congressional appropriations committees prefer direct outlays because these expenditures focus the attention of Congress on the merits of individual proposals.⁹⁴

Tax committees prefer tax expenditures.⁹⁵

Federal tax policies have been key tools in assisting the private sector and cities in revitalizing downtowns. The policies have preserved existing structures and stimulated commercial expansion. In Fiscal Year 1985 it was estimated that \$23.4 billion in private activity tax exempt bonds would be sold.⁹⁶ No figures were available on how much of that amount would be sold for activities in downtowns.

Because the Federal Government faced a major problem in 1985 of generating sufficient revenues to fund total expenditures, there was a growing interest in increasing revenues generated from changes to the tax code. Budget cuts alone could not eliminate the deficit.

Proposals were before the 99th Congress in 1985 that would reform the federal tax system. Most of the proposals would eliminate incentives such as tax exempt bonds which encourage investment in urban development, rehabilitation, and redevelopment. Three major tax reform measures proposed for consideration by the 99th Congress were the Department of Treasury plan, the bill offered by Senator Bradley and Congressman Gebhardt, and the Congressman Kemp and Senator Kasten bill.⁹⁷

The Treasury Department opposed the use of tax exempt bonds because they felt private activity should be financed through the taxable bond market. In Fiscal 1983, the issuance of tax exempt bonds was almost double the

amount issued in Fiscal Year 1985. Such issuance in 1983 reached almost \$50 billion with approximately \$13.7 billion for industrial expansion and \$11.7 billion for owner occupied housing.⁹⁸ The Treasury Department's position was that lowering borrowing costs of tax exempt bonds would result in financing more varied capital needs. The Treasury Department felt that the use of tax exempt bonds should be limited.

The reduction in the amount of tax exempt bonds issued in 1983 and 1985 was due largely to the Treasury Department. It was able to get Congress to enact legislation that placed an overall ceiling on industrial revenue bonds and less favorable depreciation schedules for facilities financed with such bonds.⁹⁹

The result for cities was that tax reforms have eliminated support for neighborhood reinvestment and business and job creation. In addition, the reduction of direct assistance programs weakened cities' financial solvency. Although the experiences of many cities were that tax exempt bonds have been effective in revitalizing downtowns, the Administration's position was that the federal deficit, which was projected to reach \$200 billion for Fiscal Year 1986, should be brought under control.¹⁰⁰ The deficit could not be brought under control, the Administration contended, unless Federal tax policies were revised to reduce tax expenditures and direct budget outlays were reduced.

The retention of tax exempt bonds was high on the agenda of priorities of local officials in 1985. According to some reports, it seemed unlikely that the Treasury's recommendations on tax exempt finance would be adopted wholesale. This prediction was based on the assumption that participants in the municipal finance industry would convince the White House that the Treasury plan would be devastating to state and local economic development.¹⁰¹

As the House Ways and Means Committee began consideration of tax reform in 1985 and the nation braced itself for the impact of the Gramm-Rudman-Hollings budget-balancing law, the cost of tax expenditures became an increasing concern. Tax-exempt bonds, when combined with other incentives such as rapid depreciation and tax credits for historic buildings that attract private investment in downtowns, were expected to be replaced largely by taxable bonds. There was an almost certain probability that a tax bill would be enacted in 1986 that would severely restrict or eliminate Federal tax incentives that had historically stimulated investment in the revitalization of central business districts. Localities were advised in January, 1986 that "(n)either the underwriters nor the bond funds can risk selling 'tax-exempt securities' to their customers which turn out later not to be tax-exempt at all."¹⁰² Hence, localities were expected in 1986 to sustain the loss of another important financial tool that had stimulated private investment in downtowns.

LocalCapital Improvement Program (CIP): 1970 - 1985.

While the importance of Federal loans and grants has been stressed, an essential element of investment in the Central Business District has been the investment made by a locality's Capital Improvement Program. Years of declining investment in central cities has shown that a city's social and economic well being can be undermined by lack of attention to the planning and implementation of capital projects. These capital projects are often referred to as public infrastructure and include such facilities as streets, bridges, and utility systems.¹⁰³

Real capital spending by local governments followed a steady decline beginning in the mid-70s in relation to total budget expenditures.¹⁰⁴ This relative decline in capital investment became a cause for concern. Although cities acknowledged the importance of capital investment to their social and economic health, conditions made it impossible for the rate of reinvestment to keep pace with other expenditures. The national economy, the growing social problems in cities, and the demographic changes contributed to the decline in capital spending. George Peterson said the downward course of real capital spending was accelerated by the fiscal squeeze that began in 1974-75.¹⁰⁵

Studies have shown that cities can outrank their suburbs in better education, greater employment opportunities, higher-paying jobs and less-crowded housing by

correcting their "physical aging."¹⁰⁶ However, many cities do not maintain measures of capital stock condition. The result has been a serious problem.¹⁰⁷

Capital budgets have an effect on private investments in a city. The argument has been made that it has been difficult to identify the effect of the public facilities on private investment. In a report by the General Accounting Office on capital budgeting, the conclusion was drawn that although public facilities were highly visible, the benefits for the private sector of the economy were often unmeasurable.¹⁰⁸ The GAO report noted that direct Federal programs, grants-in-aid, loans, guarantees, and tax expenditures have diverse effects when they contributed to the building of public infrastructure and the stimulation of private sector capital formation.¹⁰⁹

Although the extent to which public infrastructure contributes to economic development may be difficult to measure, witnesses before the Subcommittee on Economic Development of the Committee on Public Works and Transportation emphasized the strong relationship between economic development and a healthy public infrastructure. The witnesses noted "that adequate public facilities are a precondition for private sector investment and growth."¹¹⁰

The reduction of federal loans and grants has caused less dependence on federal assistance and greater self-reliance by local governments to find ways of leveraging

public funds. Unfortunately some cities that have depended heavily on federal dollars have found the consequence of federal defunding to be devastating.¹¹¹ For example, New Haven has been doing less with less and has been unable to replace lost federal dollars with locally raised revenues.¹¹²

The alternative has been to use local public funds for capital improvements in downtowns to stimulate economic development. The results in some cities have shown that capital improvements in central business districts in conjunction with federal dollars, have fostered economic growth where it might not otherwise have occurred. For example, the magnitude of construction and revitalization in Denver's downtown has been explained largely by federal public investment which has made the downtown attractive to investors.¹¹³

As of January 1986 there was no Federal program that focused on the deteriorated, aged and outmoded condition of the public infrastructure in downtowns. Although a bill, the National Infrastructure Act (H.R. 1776), had been introduced in Congress, the prospects of its passage were uncertain. The bill would provide interest-free loans to state and local governments to construct and improve highways, streets, bridges, water supply and distribution systems, mass transportation facilities, and wastewater treatment facilities.¹¹⁴ Like GRS, CDBG, UDAG, and other domestic programs, infrastructure programs are not given a priority status.

Deteriorated public facilities prevent major downtown redevelopment from moving ahead because essential streets and bridges are too expensive to replace under most local capital improvement programs. Limitations on cities to increase property taxes and the continued competition between cities and outlying suburbs aggravate the problem faced by cities to raise revenue to pay for reinvestment and expansion of public facilities. A sensible approach does not appear to be one that overlooks the problem, yet the Gramm-Rudman scenario and other considerations overshadow the magnitude of the important contribution that infrastructure has made to the local and national economies. Gramm-Rudman has caused chaos with respect to the way budgetary cuts will be made for infrastructure programs.¹¹⁵

Summary

This chapter has traced the development of Federal and local public programs since 1933 in an effort to discern the impact of public investment on CBD revitalization. The impact of Federal programs in the 1930s on the eradication of slums to protect central cities was described. The process through which public housing was built and operated was reviewed. Other Federal and local programs were examined in a systematic way to determine their policy implications for downtown revitalization.

The survey of literature is intended to provide a backdrop for relating Norfolk's experience in its CBD to

the public policies that have evolved. This historical background will be useful in connection with the recommendations that are offered for future public policy.

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CHAPTER IV

INDICATORS FOR MEASURING EFFECTIVENESS OF DOWNTOWN REVITALIZATION

Introduction

Although the rationale for the Federal government's interest in subsidizing the elimination of slums was justified under the Housing Act of 1949 as following a national housing policy of "a decent housing and a suitable living environment for every American family," more recent Federal subsidies have sought to stimulate private investment, jobs, and taxes that would not have occurred in the absence of these subsidies.¹ Federal subsidies under the UDAG program, for example, have been used in various ways. Through June 1981 commercial projects have received 50 percent of all UDAG funds.² Hence, the evaluation of the impact of Federal and local programs over time becomes that of determining to what extent slums and blight have been eliminated and whether the programs have effectively promoted economic development. This chapter reviews the literature to determine which indicators have been the most reliable and valid in measuring the revitalization of downtowns in response to changing public policies.

Indicators

The goal of downtown revitalization can be measured by several indicators. The indicators for measuring revitalization in 1935 are not the same as the indicators currently used. For example, in 1935 downtowns were poorly designed and overcrowded with slums and blight. By 1985 many downtowns had cleared the blight but were measuring revitalization by the rate at which vacant land could be developed to its most appropriate use.

The literature review identifies the indicators in terms of their relevance through the years and how the measures relate to the changing function of downtown. The indicators can be classified as physical, demographic and economic. A breakdown follows:

Physical

Design and Land Use

Access and Circulation

Parking

Demographic

Population

Housing

Employment

Economic

Retail Sales

Office Building Activity

Conventions, Tourism and Entertainment

Banking Activity

Assessed Valuation

Tax Revenues

Physical

The CBD core and CBD frame are important functional units within the Central Business District. The relationship of these units is governed largely by the physical connections of streets and other infrastructure. In many developed downtowns, land use has followed the pattern of cow paths and subsequent changes that occurred as new transportation routes were built. As downtowns originated generally near the focus of transportation routes, such as water, rail and major streets and highways, the pattern of land use was not always controlled. It was not until zoning and other land use controls were enforced that the spatial arrangement of land in the CBD began to improve in form and function. The impact of the interstate highway system and other highways became significant as technological change influenced peoples' patterns of behavior. Hence, the criterion of urban design and land use became an important consideration in evaluating the effectiveness of downtown's role in a city and its environs.

Design and Land Use. In a special report on "Urban Design," Knox Banner provided a description of urban design which is useful for the discussion that follows.

Urban design is concerned with the appearance and visual spirit of a city, as distinct from "city planning", which is concerned in addition with underground utilities, sociology, economics, and political considerations. It is also distinct from "architecture" which is generally concerned with a single building on a single lot, in a setting usually determined by forces or influences other than the architect.³

In commenting on the attempts that have been made in the core of cities, Banner identified the following:

. . . to coordinate use of landscaping and flowers, and street and sidewalk construction textures, including granite blocks, exposed aggregate concrete, brick, and brushed cement. Other elements have included emphasis on fountains, planters, benches, other street furniture, control of signs, careful designing of lighting, and sheltered walkways.⁴

The importance of the quality of design to cities has been recognized through the ages. Examples are Rome, Paris, London, and Washington, D.C. In each of these great cities, there were leaders who had a vision of the importance of design to a richer and finer lifestyle for those experiencing the city.

Rome evolved from an urban design conceived in the late 1500s. Pope Sixtus V assumed the papacy at a time when Rome was a congested and decaying city. His one effort of having a granite obelisk moved a few hundred yards in St. Peter's Square created a new spatial arrangement for the square that began a design reform in Rome that was to extend for years.⁵ Over the decades, the Vatican Obelisk had the effect of creating a new axis which defined the land uses around it and gave the square its present form.⁶ Pope Sixtus V gave Rome a design idea through an obelisk.

Paris changed incrementally in the quality of urban design. The influence of the Florentine queen Catherine de Medicis in building a palace of her own design, "Tuileries," and her successor Marie de Medicis, who

brought Italian influences to Paris through the building of the tree lined Cours-la-Reine ("Avenue of the Queen"), created in the period around 1600 designs that have had lasting impact.⁷ King Louis XIV (1638-1715) further transformed Paris by destroying the ring of fortifications around the city and replacing it with beautiful tree lined boulevards such as Champs-Elysees.⁸ The message is that despite changes that have occurred in Paris over the centuries, the quality of design has transcended time and given the city a special physical appearance and visual spirit that Banner identified.

London's character was changed in the early 1800s by the vision and endurance of architect-planner John Nash. Although there were many people who influenced urban design in London, Nash is credited for his work in changing the character of London and introducing a new way of looking at the city.⁹ Regent Street and Regent's Park are Nash's idea. Regent Street was a retail neighborhood. Regent's Park was popular for its beauty and because it attracted thousands of people for recreation. Although largely damaged during World War II, the spirit of Nash's design remains.¹⁰

Washington, D.C. is a good example of how urban design still shapes a city. Major Pierre Charles L'Enfant was the planner in 1791 of the nation's capital city. L'Enfant's plan first placed a gridiron over the land, then overlaid the grid with diagonals that linked main

points. The Capitol building and the White House are examples of two major buildings linked by Pennsylvania Avenue.¹¹ As with other cities, a national leader (George Washington) commissioned the architect-planner to provide the shape and form that would symbolize the destiny of a nation's people. The grandeur of L'Enfant's plan was to become the goal of the City Beautiful movement in the early 1900s.¹²

Access and Circulation. Among the paramount criteria for evaluating the effective functioning of a central business district is adequate street access and pedestrian and vehicular circulation within and around the CBD. As the purpose of a CBD can vary on the basis of size, so can the function of a street system. For most medium-sized city central business districts that serve urban populations of 100,000 to 500,000, there is a wide variety of uses within the CBD. For example, there are business headquarters and financial institutions, department stores, hotels, restaurants, theatres, parks, plazas, government buildings, and other uses that generate traffic. Smaller cities have many of these uses, however, the development frequently takes the linear form of strip commercial development.

As every central business is different, it is difficult to identify standard criteria against which one can measure a successful downtown. Based on the literature search of ideal planning principles that are applicable to

downtown shopping districts, the following principles are most frequently cited.

. . . (s)hopping areas should be kept as compact as possible to encourage pedestrian traffic among stores, thus facilitating comparison shopping and impulse buying

. . . (r)etail store frontage should be continuous, with minimum interruptions by parking lots, office buildings, or hotels without ground floor stores or by banks, airline ticket offices, and other nonretail uses

. . . Disruption of pedestrian traffic by closely spaced intersecting streets also is undesirable

. . . Blocks should not be so long as to make it inconvenient for shoppers to cross streets at intersections or to walk between parallel streets. Blocks should generally be 300 to 500 feet in length

. . . A central focus to a shopping district such as a plaza, mall, or other open space reserved for pedestrians will be desirable if it is a lively, and intensively used space that makes downtown visually attractive and gives the footsore shopper a pleasant place to sit down and rest

. . . Parking should be located within easy walking distance of the stores it serves. In most situations 300 to 400 feet is a practical maximum

. . . Pedestrian bridges over streets connecting parking garages with stores may be advantageous

. . . Transit lines should be routed on major shopping streets, with fairly closely spaced stops. Bus shelters and benches should be provided for transit patrons 13

The criteria for evaluating the planning of downtowns have not changed appreciably since 1950. Arthur Gallion stated in 1950 that the rules that need apply to the planning of a commercial center are:

. . . circulation about the business district must be safe and convenient; and pedestrian, vehicular, and service traffic should be separate each from the other, with ample parking facilities distributed within reasonable walking distance from the shops.¹⁴

To provide adequate access and circulation in a downtown is an illusive goal. While Gallion said that cities will continue to have a hub called "downtown", he also offered the admonition in 1950 that high density of people and buildings "currently curse cities."¹⁵ The dilemma exists of trying to maximize economic investment downtown and still provide internal circulation without overcrowding public streets and pedestrian ways. Gallion observed in 1950 that the time may come when land held for high density commercial and residential use must be relinquished for adequate circulation.¹⁶ Planners warn that downtown revitalization can reach a point of diminishing returns if the major highways continue to expand and dump increasing users into central business districts without concern for proper access and circulation. According to Wilfred Owen, "(p)lans for transportation must shift the emphasis from coping with congestion to encouraging communities without congestion."¹⁷

Parking. Parking can be viewed as a part of "access and circulation" because both relate to the transportation system which is the framework upon which the downtown rests. It is difficult to identify criteria that can be used to measure the adequacy of downtown parking. The conclusion is sometimes reached that states a downtown has

sufficient parking when it meets both long-term and short-term parking needs. Undoubtedly the magnitude of the parking program varies with city size and the efficiency of space utilization.

Parking becomes inadequate unless parking policies are established which penalize all day parkers such as employees. For example, in Allentown, Pennsylvania, the merchants put into effect a cooperative parking program to encourage shoppers to shop downtown. Lots were obtained near the stores as a convenience to the shopper. But as soon as the lots were opened, the all day parkers began using them. With the help of the city, space was finally found in an outlying area for workers. Ultimately the original objective was achieved.¹⁸ The question remains as to whether there was adequate parking. The question needs to also ask "for whom?" In the case of Allentown there was inadequate parking for the shoppers without a program that discouraged all day parking. It is not uncommon to find that cities enact parking policies to discourage all day parkers. This is often done by giving free parking for the first hour or two and then having the cost accelerate rapidly for longer hours. The policy is applied differently in the evening.

Demographic

Population. Empirical research reveals a relationship between the absolute size of a city's population and its rank relative to other cities in the same nation.¹⁹

This rank-size implies that there are a few very large cities, then a group of intermediate-sized cities, and many cities in the smaller-size categories. The importance of this theory is to explain that there is a regularity and stability in the size distribution of cities. Certain sizes are considered an efficient spatial allocation of economic activities. Table 1 supports the approximate validity of the rule with comparative data for urban areas in the U. S. in 1960, 1970 and 1980.

Table 1

United States Urban Places, by Size, 1960, 1970, 1980

Population Size	Number of Places with at Least this Population		
	1960	1970	1980
1,000,000	5	6	6
500,000	21	26	22
250,000	51	56	56
100,000	132	156	173
50,000	333	396	563
25,000	765	916	1,138
10,000	1,899	2,301	2,903
5,000	3,293	4,140	5,084
2,500	5,445	6,435	7,749

Source: U. S. Bureau of the Census, Statistical Abstract of the United States, 1984, p. 27.

It is noted in Table 1 that there are about twice as many cities with more than 250,000 people as there are cities with more than 500,000, and about twice as many cities 25,000 or more people as there are cities with 50,000 or more. Wallace Smith explains that the numbers do not conform precisely to the "rule" because of arbitrary

definitions of City limits as well as other factors that would not be expected to conform to a general statistical regularity.²⁰

It would be of interest to learn what the relationship of population is between CBDs and the total city for cities of certain population size. According to the generalizations made by Raymond Murphy, the relationships between CBD size and city size have not been worked out fully. Murphy observed that there are differences among "port cities, manufacturing centers, state capitals, etc."²¹ It is expected that the relationship would vary because the terms CBD and downtown have no standard meaning. The Bureau of the Census defines the CBD as:

. . . an area of very high land valuation, an area characterized by a high concentration of retail businesses, offices, theaters, hotels, and service businesses, and an area of high traffic flow.²²

Decentralization of population from the central cities continues. As an example, Birmingham, Miami, Atlanta, Louisville, Dallas, New Orleans, Los Angeles, and San Francisco are all losing population or are growing very slowly relative to metropolitan growth.²³ Suburbanization or stratification of people into relatively homogeneous suburbs has been a phenomenon in the past, however, heterogeneity in the suburbs is developing.²⁴ The suburbanization has been explained by such contemporary phenomena as the widespread use of the automobile, the interstate highway system, and the postwar inflow of

minority groups into central cities.²⁵ Others have attributed different causes to suburbanization. Edwin Mills explains that the more basic factors underlying the decentralization process are "rapidly rising real incomes, from growth in SMSA sizes, and from improved community conditions."²⁶ In the late 1950s studies showed that people choose the community in which they live on the basis of fiscal features.²⁷ In recent years, urban and public finance specialists have broadened Tiebout's popularized idea of people "voting with their feet" to include situations in which people choose communities on the basis of different earning possibilities, amenities, cost of living, and fiscal features.²⁸ Inferences drawn from these studies are that people with similar interests would want to live in a downtown community as an alternative.

An interesting finding in a study by Edwin Mills related to the percentages of people living and working in central cities and suburbs in metropolitan areas. Mills found that the census data showed that population is more suburbanized than employment, with the exception of the manufacturing employment category.²⁹ The ranking of employment by degree of suburbanization showed services as an employment category to be the least suburbanized. Services include finance, insurance, and real estate; business and repair services; personnel services; and entertainment and recreational services. A conclusion from the study is that a city with a declining population

does not mean that employment is declining. In fact, data support the proposition "that population is more suburban than employment."³⁰ The significance of this finding is that more people commute to work into than out of central cities. Hence, a decrease in a city's population does not necessarily mean a declining downtown. A declining city population, therefore, can be expected to have a higher employment in its downtown because of suburbanization.

Housing

The housing policies of the Federal government have not encouraged housing development in downtowns. The policies have actually reinforced decentralizing tendencies for residents to move to the suburbs. As the result of out-migration, residential property values have declined temporarily in some sections of the CBD. Where redevelopment and conservation programs existed, residential property values have increased. Overall there seems to have been a net positive impact.

The social costs of blighted housing have been well documented. These costs include crime and delinquency, fires, disease and death, mental illness and psychological problems. For many CBDs blighted housing has had a detrimental effect on the health of the CBDs. Therefore, a criterion for examining the revitalization of a downtown can be measured by the reduction in the "social costs" to society. Better housing in downtown is obviously a benefit to the community if the problem of blight is not

transferred to other sections of the CBD or to the city at large.

Housing is a valid indicator in measuring demographic revitalization in downtown for various reasons. Housing reinforces other revitalization efforts. In an insightful review of the evolution of downtown housing and its significance to the revitalization of cities, Lachman and Miller said:

Cities are willing to provide incentives to attract downtown housing because it reinforces other revitalization efforts. With close-in housing available, downtown in turn becomes a more attractive place to locate offices. Also, downtown residents support a variety of small retailers and reinforce larger retailers. The addition of people on the streets at night, moreover, makes downtowns more attractive for hotel and convention business. A mixture of strong land uses creates a level of activity and excitement that attracts more patrons for all such uses -- the sum, in other words, is far greater than the parts.³¹

The benefits of downtown housing in the 1980s are increasing. Higher land values in downtown require high-rise construction. More expensive housing strengthens the tax base through property taxes. Higher income residents have greater disposable incomes which directly affect revenue to the city from the sales tax. Conclusions reached by Lachman and Miller were that childless households will increase, downtown employment will expand, and the market for downtown housing will also grow. Demographic trends, they say, "are extremely favorable, and in one city after another, successful projects have already proved that in-town living works."³²

Employment. A survey of the literature in urban public finance shows that the process of urban decentralization has resulted in a declining city share of private sector employment and in many instances an absolute decline in the magnitude.³³ In a study by the Advisory Commission on Intergovernmental Relations, it was shown that per capita income grew more slowly between 1960 and 1973 in the central cities than in their suburbs.³⁴ An analysis by William Oakland of the ACIR data and of studies made by David Greytak and Edward Cupoli concluded that the decline of employment in the central city has had considerable fiscal consequence because of the tax revenues generated by the average private sector job.³⁵

Although the evidence shows that, relative to their suburbs, the fiscal condition of most central cities is declining, an index developed by Nathan and Adams showed that the problem is not equally severe in all areas. The index showed the comparative economic disadvantage of 55 central cities vis-a-vis their suburbs. Ranked first on the list with a central city hardship index of 422 was Newark. The significance of ranking first is to show that Newark is considered a weak central city. In contrast, Norfolk ranked 50th with an index of 82. This means that the lower the index the less variation there is between the central city and the suburbs. The index is a simple average of city-suburban disparity with respect to: (1) unemployment rate; (2) dependency rate; (3) education-

al level; (4) income level; (5) poverty rate; and (6) crowded housing. Norfolk was below (or better than) Phoenix, Houston, and Dallas which had hardship indexes of 85, 93 and 97, respectively.³⁶ It should be noted that the study was done in the mid-70s, about 25 years after Norfolk began its Downtown Redevelopment Program.

Employment is a basic indicator of the strength of a city's economy.³⁷ In a study of 79 major central cities, it was discovered that large cities that experienced job growth between 1960 and 1970 also experienced job growth between 1970 and 1977. Cities experiencing job losses during the 1960s experienced a higher pace of job losses in the 1970s than they had experienced in the 1960s.³⁸

Earlier studies showed that the decline in employment in the central business district can be traced in part to retail job movement, transportation changes, and the technological revolution in wholesaling and distribution.³⁹ The studies noted that the obsolescence of manufacturing structures and the introduction of assembly line techniques also greatly accelerated the movement of jobs from the central cities to the suburbs. Employment in offices in downtown increased. This was explained to some extent by the perception that downtown is a prestige center. Other urbanists predict that central business districts will continue to thrive as employment centers because of the overall increase in communications, and the importance of face-to-face meetings for a certain portion of it.⁴⁰

A 1984 report showed that office employment makes

up more than one-third of all jobs in the nation and has increased almost twice as fast as total employment since 1975.⁴¹ Other studies confirm the fact that finance and services employment is the most rapidly growing sector of the national economy and is mostly centered in office buildings.⁴² For the large metropolitan areas, half of all the office structures are downtown.⁴³

Economic

Retail Sales. Downtown Improvement efforts have had mixed results for retail establishments. In a study of eight downtown revitalization projects, Weisbrod and Pollakowski found that the effects of street mall projects ranged "from positive improvements to mere continuation of past negative trends."⁴⁴ A major finding of the study was that the downtown revitalization projects had a statistically positive effect on the rates of new establishment entry into the downtown study areas, but no significant impact on observed growth or exits of existing establishments.

Early studies have been made by Horwood and Boyce to determine the relative change in the status of CBD retail sales and office use over a given period of time. Special emphasis was placed on the per capita rate of change of retail sales in relation to urbanized area population. The idea was to discover whether a predictable relationship existed between CBD retail sales and population.⁴⁵ Horwood and Boyce found that "regional" shopping centers had not made appreciable inroads on CBD sales. This study

covered retail sales for 69 cities in 1948 and 1954 as compared with the 1950 population.

Another study made during this period in the Cincinnati area showed that CBD's competitive loss was greatest among high-income groups.⁴⁶ Observations were made at the time by other writers that this trend could have been expected since shopping centers were situated in suburban locations or adjacent to higher-income neighborhoods.⁴⁷

Although considerable emphasis has been placed on retailing in the revitalizations of CBDs, the efforts have generally failed.⁴⁸ The failures have occurred despite the enticements offered by the public sector.⁴⁹ Even in those cities that have invested heavily in the revitalization of their downtowns, the continued industrial disinvestment and fiscal decline have had severe negative impacts on the retail sales and the attraction of other private economic activity.⁵⁰

In recent years New Haven has fared especially poorly in retailing in relation to its suburbs.⁵¹ Fainstein and Fainstein stated that the changing residential patterns, highway construction and suburban shopping centers combined to "devastate the city's central business district."⁵²

Estimates of the effects of public investment on retail activity have varied widely. In the study made by Glen Weisbrod and Henry O. Pollakowski, the results indi-

cated that retail activity is related both to the local economy and to revitalization efforts in downtowns.⁵³ Conclusions of the Weisbrod and Pollakowski study showed that it is extremely difficult to attribute the economic growth of any single downtown area to renovations and new construction. They noted, however, that their study covered trends occurring within a few years before and after the physical improvements. On the whole, the researchers were encouraged by the modest short-term changes and the absence of accelerated disinvestment in downtown which might have otherwise occurred without public investment.

There is evidence to support the position that residents of smaller cities spend a larger percentage of money downtown than do residents of larger cities.⁵⁴ In a report on downtown retail sales for 1981, the International Downtown Executive Association (IDEA) found that downtown retail sales per city resident ranged from \$2,300 in Grand Junction, Colorado to \$437 in Dallas, Texas. In the same report, of nine cities providing information on downtown retail sales for 1980 and 1981, six reported an increase, one reported no change, and two cities reported a decrease in retail sales volume. Those cities reporting decreases had a population of less than 50,000.

There is further evidence to support the position that retailing in downtown is returning. In an interview with persons having knowledge and experience with downtown

retailing, Denise Bowman reported that retailing in downtown is not dead, but changing. Sources stated that a downtown can have moderate or upscale retailing if the retail units offer a differentiated product that is not found in suburban shopping centers.⁵⁵

Office Building Activity. One of the principal factors in the revitalization of older cities is their ability to retain and expand offices. Tax revenues yielded from office buildings represent a significant contribution to local government.

In the last two decades, there has been "an extraordinary wave of downtown office and hotel development."⁵⁶ A report on office space construction in the downtowns of the 30 largest metropolitan areas over the period 1950-1984 showed that downtown office building construction in the 1960s doubled construction of the 1950s, increased a further 50 percent in the 1970s, and in the first five years of the 1980s more than replicated the previous decade's downtown office growth.⁵⁷

In recent years office parks have competed with downtowns. With developers offering office space in landscaped settings with large parking lots, it is becoming increasingly difficult to retain and expand offices in downtown. An indication of the strength of the CBD can be seen in the growth of office buildings in downtown as compared to the growth of office buildings in competing office parks. The literature shows that the advent of the

office parks appears to have been inspired by the success of the industrial park. There is little positive evidence that public incentives strongly influence corporate location decisions.⁵⁸ Most important to corporate management are factors such as wages and the economic well-being of the region as a whole that are beyond the control of local governments.

Conventions, Tourism and Entertainment. The reduction in Federal funding has caused local governments to search for growth industries that are favorable to downtown economic development. The industries that have been increasingly important to downtown economic development have been conventions, tourism and entertainment. The results of the increase in attention to these activities have been higher tax revenues for the public expenditures that have been made. Convention and meeting activities have increased because of the growth in the number of professional and trade associations. Rising income and more leisure time have increased travel by tourists and to greater participation by various segments of the international, national and local population in entertainment, cultural, and leisure activities. Cities such as Baltimore, Norfolk and others are reorganizing their staffs to market their attractions in ways not previously done. The effect of this interest has had a social and economic impact on the revitalization of downtowns.

John Kasarda refers to the convention-tourism and

cultural-entertainment industries as "gathering-service" industries because both operate on the basis that the convergence of large numbers of people from widely dispersed locations to a single site where the service is provided. Kasarda said:

Gathering-service industries typically have high agglomeration and mutual-scale economies; concentrating together enhances their functional complementarity, ambiance, and market appeal. Many large cities are recognizing that their dense clusters of hotels, restaurants, nightclubs, sports arenas, museums, and theaters, if situated in clean, pedestrian-safe areas, are effective magnets for attracting round-the-clock growth industry resources back to their cores. In addition, these clusters serve as important social and aesthetic complements to the increasing number of nine-to-five high-rise office towers beginning to dominate their downtowns.⁵⁹

Banking Activity. Commercial banking is an important measurement criterion for examining the change in the function of the CBD. Banking deposits rather than the number of branch outlets have been chosen in some studies as the criterion because of the wide variation in size and importance of suburban banks. Published data are not available by specific branch in some cities.

In a study made of the strength of banks in the CBD as compared to suburbs, it was found that bank deposits changed relatively little in their location characteristics between 1946 and 1956.⁶⁰ The study showed that the concentration was especially pronounced in cities with less than 100,000 population which had "well over 95 percent of their deposits centralized."

Assessed Valuation. An important measure of a downtown's

revitalization is the extent to which the assessed value of land has increased. If the programs that have been designed to strengthen the economic base of the CBD have been successful, then there is a strong likelihood that property values have increased.

According to Clark and Ferguson, a City Wealth Index includes taxable property value and income.⁶¹ Since the property tax is usually the largest city revenue source, it can be reasoned that an increase in property values in the CBD over time in comparison to the City at large is a strong indicator of the revitalization of the downtown area.

Tax Revenues. An important benefit that has been identified in many reports on the impact of redevelopment in downtowns has been the expectation of increased tax revenues.

Earlier research indicated that the chances of urban renewal ever increasing overall tax revenues in the United States were small.⁶² Subsequent status reports on the actual accomplishments under Urban Renewal Programs showed that the assessed tax valuation of land and improvements in completed redevelopment projects increased an average of 240 percent.⁶³

Summary

This chapter has summarized the physical, demographic and economic indicators that the literature cites most often in measuring the vitality of the Central Business

District. The literature reports that the predominate indicators in recent years have been economic, although the impact of housing is beginning to be seen as an important measure for downtown revitalization.

The survey of literature on the indicators is expected to provide a framework in discussing how Norfolk compares in each of the indicators.

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CHAPTER V

RESEARCH DESIGN AND PROCEDURE

The methodology for this study has been that of utilizing qualitative and quantitative techniques to measure the impact of public investment on the urban revitalization of Downtown Norfolk.

Research Questions

The major research questions are to examine the changes in the redevelopment process since 1935 and to analyze the effects of public programs on the revitalization of Norfolk's Central Business District. The specific research questions are as follows:

1. What has been the effect of the Urban Renewal, Community Development Block Grant, Urban Development Action Grant, General Revenue Sharing, Tax Exempt Bonds, and Capital Improvement Programs on the urban revitalization of Norfolk's Central Business District?
2. How has public investment in Norfolk's Central Business District increased physical, demographic and economic benefits in relation to what would have occurred without such investment?

Premise

The premise on which this study is based is that there is a positive correlation between public investment and urban revitalization. More specifically, the programs of Urban Renewal, Community Development Block Grant, Urban Development Action Grant, General Revenue Sharing, Tax Exempt Bonds and Capital Improvements have a positive effect on the urban revitalization of Norfolk's Central Business District.

The methodological process used in collecting the data for this study is described in this Chapter. The procedures are set forth in the following sections:

1. Survey Period;
2. Considerations in Conducting the Research;
3. Qualitative Data;
4. Quantitative Data;
5. Analysis, Presentation, and Interpretation of Data.

Explanation of Figures

Figure 4 has been provided in order to clarify a research question that is examined. Figure 4 identifies the six major problems that are investigated in the study. Five of these programs are Federal programs. The Capital Improvement Program is a locally funded program.

Within each program shown on Figure 4, specific objectives are stated that describe the major intent of program. It should be noted throughout the study that the elimination of blight is the primary purpose of the program.

Figure 4. Research Question for Measuring Effect of Public Investment Programs on Downtown Revitalization

RESEARCH QUESTION: What has been the effect of the Urban Renewal Program, Community Development Block Grant, Urban Development Action Grant, General Revenue Sharing, Tax Exempt Bonds, and Capital Improvement Program on the revitalization of Norfolk's Central Business District?

Research Design: Historical and Descriptive

Premise	Measure	Source
A. The Urban Renewal Program revitalized the CBD through: 1. The elimination of slums and blight; 2. Improved urban design and land use; 3. The improvement of traffic access and circulation; 4. The attraction of middle-income households into Downtown; 5. The construction of new commercial, residential, cultural civic and recreational facilities; 6. Reduction in costs for governmental services; 7. Higher assessed valuations of commercial and residential property; and 8. The increase in taxes paid to the City of Norfolk.	1. The number of substandard dwellings; 2. Observation 3. New streets and signal systems; 4. Population; 5. New facilities constructed; 6. Costs for public service 7. Property assessments; and 8. Taxes collected	1. U.S. Census 2. Photographs 3. Virginia Department of Highways & Transportation 4. U. S. Census 5. City of Norfolk 6. City of Norfolk 7. City Real Estate Assessor 8. Commissioner of the Revenue
B. The Community Development Block Grant Program revitalized the CBD through: 1. All of the above (1 through 8); 2. The rehabilitation of residential and commercial properties; and 3. Improvements to infrastructure.	1. All of the above (1 through 8); 2. Dwellings and commercial structures rehabilitated; and 3. Infrastructure installed.	1. All of the above (1 through 8) 2. NHRA 3. City of Norfolk
C. The Urban Development Action Grant Program revitalized the CBD through: 1. Higher assessed valuation of commercial property; and 2. The increase in taxes paid to the City of Norfolk.	1. Property assessments 2. Taxes collected	1. City Real Estate Assessor 2. Commissioner of the Revenue
D. The General Revenue Sharing Program revitalized the CBD through: 1. Improvements to the infrastructure.	1. Condition of infrastructure; and	1. City of Norfolk
E. Tax Exempt Bonds revitalized the CBD through: 1. Investments by the private sector	1. Amount of loans	1. NHRA
F. The Capital Improvement Program revitalized the CBD through: 1. Improvements in the infrastructure. 2. Providing better public buildings and facilities	1. Condition of infrastructure; and 2. New buildings and facilities constructed.	1. City of Norfolk 2. City of Norfolk

Figure 5 also serves as a guide for the development of the research. By using the figure, it is possible to draw conclusions on a more logical basis. Figure 5 uses the codes (+) and (-). These codes are used in order to explain what was contemplated when the initial planning for downtown redevelopment was undertaken. Although urban redevelopment is a long term investment, Figure 5 shows the short-run and long-run impacts. For example, it was intended that there would be some negative consequences of relocation. Although families were offered safe and decent housing in which to relocate, all families and individuals did not take advantage of the opportunity. Similarly, small businesses decided to go out of business in some instances, rather than relocate. The impact of relocation, therefore, is explained as a positive or negative occurrence. An example of positive relocation are the manufacturing, distributing and warehousing that moved from locations in Downtown Norfolk that were hampered by outmoded streets, the absence of central arteries, and almost no room for growth to more spacious sites at the Norfolk Industrial Park that was provided by the Norfolk Redevelopment and Housing Authority.

Figure 5. An Impact Matrix of Downtown Redevelopment and Conservation Programs

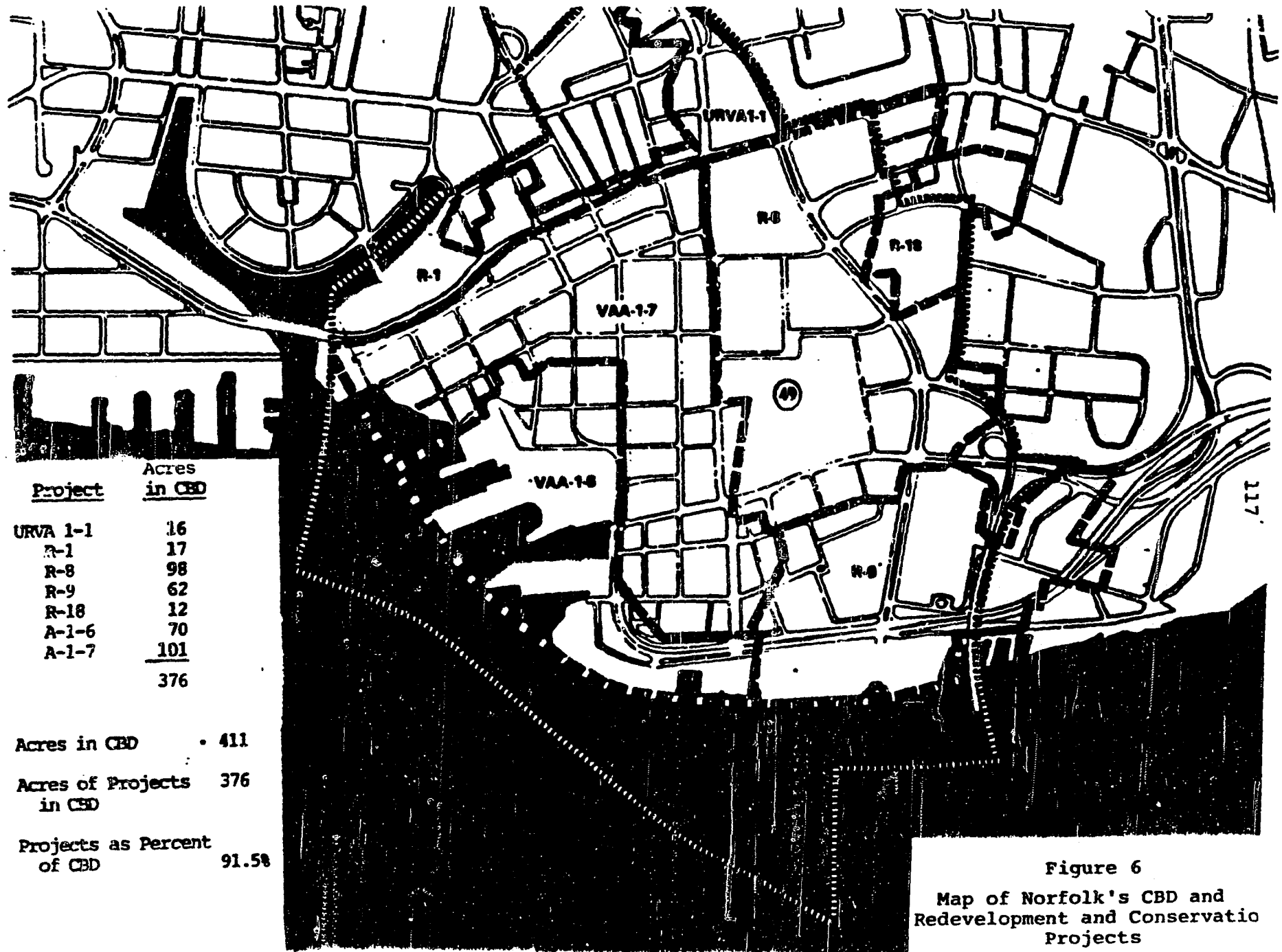
RESEARCH QUESTION: How has public investment in Norfolk's Central Business District increased physical, demographic and economic benefits in relation to what would have occurred without such investment?

SHORT-RUN IMPACT

<u>INTENDED (+)</u>	<u>INTENDED (-)</u>	<u>UNINTENDED (+)</u>	<u>UNINTENDED (-)</u>
<ol style="list-style-type: none"> 1. Eradicate slums 2. Improve traffic circulation 3. Build croestown boulevards 4. Stimulate downtown development 5. Relocate families to decent housing 6. Lower disease rate 7. Lower crime rate 8. Lower public spending on police protection 9. Lower public spending on fire protection 10. Lower public spending on sanitation activities 11. Lower public spending on health services 12. Lower public spending on schools 13. Improve the use of land by closing streets 14. Increase the value of adjoining land 15. Reduce the density of housing occupancy 16. Improve the appearance of downtown 17. Increase the assessed value of the land 18. Increase employment through construction activity 19. Build new housing 20. Conserve buildings 	<ol style="list-style-type: none"> 1. Acquire property 2. Displace families 3. Forego opportunity to spend City money for other purposes 4. Pay relocation costs 5. Loss in income to property owners 6. Possible adverse effects on nearby neighborhoods to which the displaced households move 7. Negative effects on downtown during clearance 	<p>To have a positive influence on the construction, development or expansion of the following:</p> <ol style="list-style-type: none"> 1. Norfolk-Portsmouth Bridge Tunnel 2. MacArthur Memorial 3. Scope and Chrysler Hall 4. Ghent Square 5. Old Dominion University 6. Norfolk State University 7. Federal Office Building 8. Chrysler Museum 9. Conventions, tourism and entertainment 10. Housing in Downtown 	<ol style="list-style-type: none"> 1. Public housing bordering downtown 2. Experience temporary loss of population in City resulting in less representation in General Assembly 3. Relocate Confederate monument

LONG-RUN IMPACT

<u>INTENDED (+)</u>	<u>INTENDED (-)</u>	<u>UNINTENDED (+)</u>	<u>UNINTENDED (-)</u>
<p>To have a positive influence on the construction or creation of the following:</p> <ol style="list-style-type: none"> 1. Chesapeake Bay Bridge Tunnel 2. Southeastern Virginia Regional Planning District Commission 3. Virginia Port Authority 	<ol style="list-style-type: none"> 1. Forego opportunity costs to revitalize other neighborhoods 	<p>To have an influence on the following:</p> <ol style="list-style-type: none"> 1. The development of the Eastern Virginia Medical School 2. The expansion of Old Dominion University and Norfolk State University 	<ol style="list-style-type: none"> 1. To experience the lapse of time between clearance and development 2. To create a predominately Black shopping center



<u>Project</u>	<u>Acres in CBD</u>
URVA 1-1	16
R-1	17
R-8	98
R-9	62
R-18	12
A-1-6	70
A-1-7	101
	376

Acres in CBD • 411

Acres of Projects 376
in CBD

Projects as Percent
of CBD 91.5%

Figure 6
Map of Norfolk's CBD and
Redevelopment and Conservatio
Projects

Survey Period

The 50-year period from 1935 to 1985 was selected because it was on January 19, 1935 that City Manager Thomas P. Thompson appointed an advisory committee of citizens to study the slum districts of Norfolk with the expectation of eliminating them. This date, 1935, is also two years before the passage of the United States Housing Act of 1937 (Public Law 75-412) that established a permanent public housing program and led to the expansion of local housing authorities. Fifty years were also selected as the study period because it permitted a sufficient history before public housing and redevelopment began to measure the effects of housing and redevelopment on the revitalization of Norfolk's Central Business District.

Considerations in Conducting the Research

The research design required two major types of data: qualitative and quantitative. The qualitative data was the most difficult to obtain because the information was not readily available from secondary sources. The quantitative data was obtained principally from the City of Norfolk, the Norfolk Redevelopment and Housing Authority, and the Bureau of Census.

Consideration was given to obtaining the qualitative data by a telephone inquiry using a questionnaire. Since it was convenient, however, to synthesize the articles in Norfolk's newspapers over a 50-year period and to talk with the participants in the redevelopment and housing

process, newspaper accounts and interviews were considered to be the best alternative in conducting the research.

Qualitative Data

Through qualitative evaluation methods, detailed information was collected to show the conditions that led to the decision to redevelop Downtown Norfolk. The information included situations, events, people, interactions, and observed behaviors covering the period from Norfolk's early involvement in redevelopment.

As the author's experience with the redevelopment process dates to the initial groundbreaking on December 11, 1951, firsthand observations have been reported. The experience of other actors in the process have also been described. To assure accuracy of reporting, the actors were asked to verify and make additional comments on the situations and events that are reported.

The primary source materials for the qualitative data were the official financial records of the City of Norfolk, the Norfolk Redevelopment and Housing Authority, and newspaper accounts. Other primary source materials included official minutes, speeches and statements made by people closely associated with the redevelopment process, and observations and direct quotations from people about their experience, attitudes, beliefs, and thoughts. The extent of depth and detail of newspaper articles, observations and interviews have varied depending on how much the author felt such information has answered the research questions of the study.

As newspaper articles served as the basis for the qualitative evaluation, care was taken to select the major articles that seemed most appropriate for the research. Since the number of items in the newspaper on Norfolk's redevelopment are so extensive, it would have been overwhelming to list all of them. The articles were selected from the Virginian-Pilot, Ledger-Dispatch (later renamed Ledger-Star), and Journal and Guide. These are the newspapers that have reported the news and reflected the views of Norfolk citizens during the period from 1935 to 1985. An attempt has been made to show both sides of the issues of redevelopment. The review of the news articles does not pretend to be a comprehensive analysis of Norfolk's redevelopment. It does, however, suggest the civic spirit and community concerns about slum clearance and redevelopment over a 50-year period.

The Virginian-Pilot appeared first on March 31, 1898. The paper was a merger of the Virginian and the Daily-Pilot. The Virginian-Pilot has continued as a morning paper and is regarded as one of the best edited papers in the country. The Ledger-Dispatch was an afternoon paper that was first issued on August 3, 1876 as the Public Ledger. The Ledger-Dispatch was to later become the Ledger-Star. The Journal and Guide was first published in 1900.

Quantitative

Initially consideration was given to developing a

survey questionnaire for collecting financial and other quantitative data. After careful evaluation of the appropriateness of this approach, it was felt that the same or better results could be accomplished by collecting information, primarily from the City of Norfolk and the Norfolk Redevelopment and Housing Authority, in table form. Using information from the Office of the Commissioner of Revenue and the City Real Estate Assessor, the amount of tax revenues and assessed value of all taxable real estate in the Central Business District is presented. Data from various sources were collected in order to include the social and economic characteristics that are essential in evaluating characteristics that are essential in evaluating the revitalization of the Central Business District. These are:

1. Public Investment in Downtown Norfolk for Redevelopment and Conservation Projects, 1958-1983
2. Public Investment in Downtown Norfolk through Urban Renewal Program, 1958-1983
3. Public Investment in Downtown Norfolk through General Revenue Sharing, 1974-1983
4. Public Investment in Downtown Norfolk through Community Development Block Grant, 1973-1983
5. Public Investment in Downtown Norfolk through Urban Development Action Grant, 1977-1985
6. Public Investment in Downtown Norfolk through Capital Improvement Program, 1970-1983
7. Public Investment in Downtown Norfolk through Federal and State Highway Programs, 1951-1973
8. Population Growth in Hampton Roads Metropolitan Areas, 1960, 1970, 1980 and 1984

9. Populating Change Downtown Norfolk, City of Norfolk and South Hampton Roads, 1950-1984
10. Trends of Households and Household Size for Downtown Norfolk, City of Norfolk and South Hampton Roads, 1960-1980
11. Income Trends for Downtown Norfolk, City of Norfolk and South Hampton Roads, 1960, 1970 and 1980
12. Trends of Employment in Civilian Nonagricultural Industries by Major Divisions South Hampton Roads and Norfolk, 1970, 1980 and 1984
13. Norfolk At-Place Civilian Employment 1950, 1960, 1970, 1975 and 1984.
14. Projected Change for Employment in Downtown Norfolk, 1980-1985
15. Trends in Retail Sales for Downtown Norfolk, City of Norfolk and South Hampton Roads, 1954-1982
16. Office Building Activity, 1982-1985
17. Conventions and Meetings, 1980-1985
18. Banking Activity in Downtown Norfolk, 1980-1983
19. Total Assessments, Central Business District and City of Norfolk, 1979-80 to 1985-86
20. Revenue Received by City of Norfolk through Taxes in Downtown Norfolk, 1971-1985
21. Public Investment in Downtown Norfolk through Tax Exempt Bonds, 1977-1984
22. Development Under Construction in Downtown Norfolk, 1986
23. Estimated Costs of Development Planned in Downtown Norfolk

Analysis, Presentation and Interpretation of Data

The procedure for working with the data was to present them in tables. For example, one table shows the public investment costs in redevelopment projects in downtown from 1958 through 1983. The costs shown in that

table are related to the public investment in Downtown Norfolk in order to make comparisons.

The contents of the tables are presented in current dollars as well as percentages. Since one of the research questions of the study was to determine whether Federal, State and local government programs had an impact on the urban revitalization of Norfolk's Central Business District, the two variables of assessed value and public costs are compared in order to show that private investment resulting from redevelopment exceeded the public investment.

Following a presentation which includes qualitative and quantitative data for Downtown Norfolk, the research question is answered as to whether various Federal, State and local public investment programs have had an impact on the urban revitalization of Norfolk's Central Business District as measured by selected indicators. Plate I is a map showing the Metropolitan Southeastern Virginia. Plate II is a Proposed Master Highway Plan for Downtown Norfolk as prepared in the 1950s. Plates III and IV show the contrast between before and after redevelopment in Norfolk's Central Business District. Plate V is a Downtown Illustrative Site Plan.

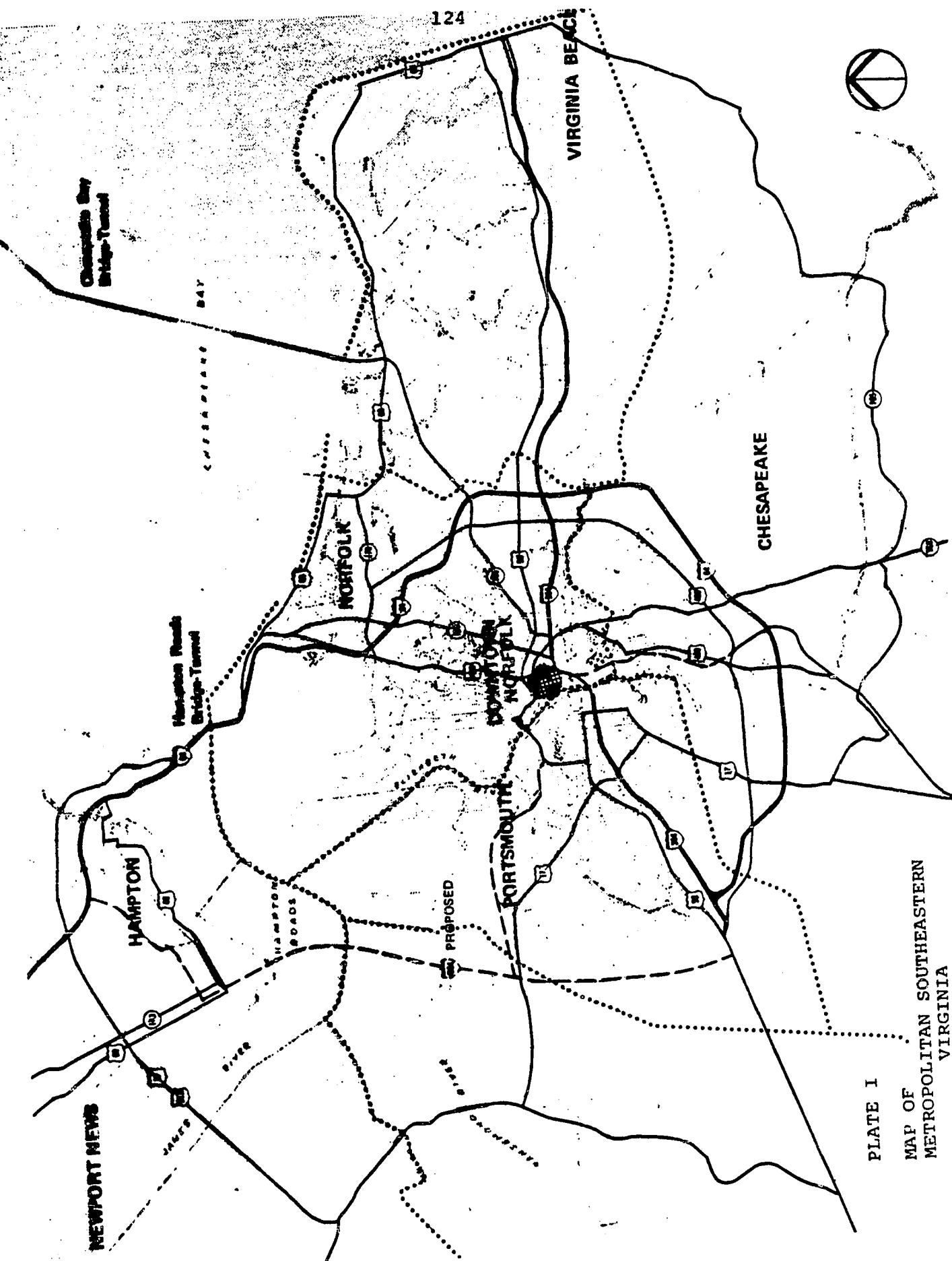


PLATE I
MAP OF
METROPOLITAN SOUTHEASTERN
VIRGINIA





PLATE III
DOWNTOWN NORFOLK
BEFORE REVITALIZATION
March 25, 1950

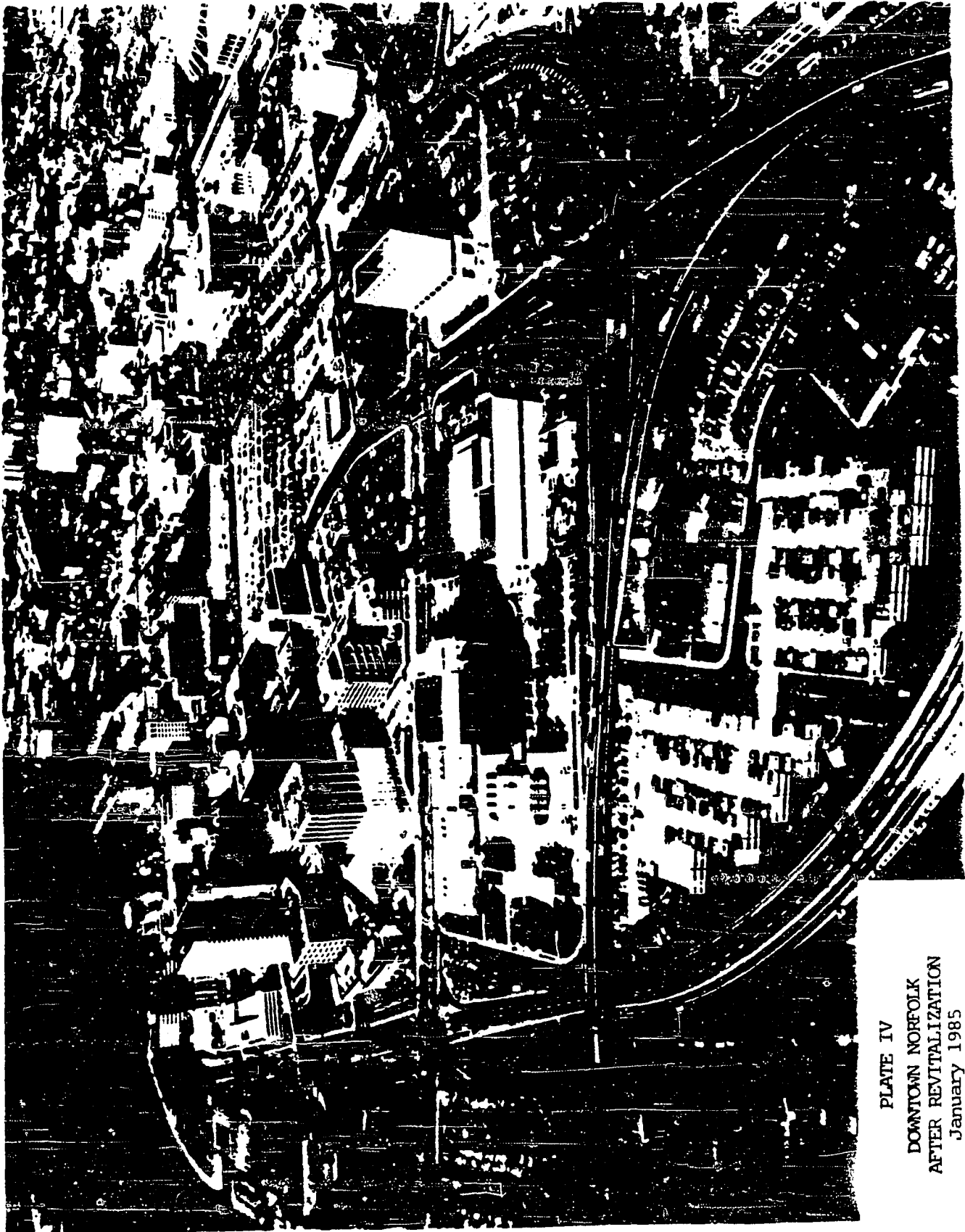


PLATE IV
DOWNTOWN NORFOLK
AFTER REVITALIZATION
January 1985

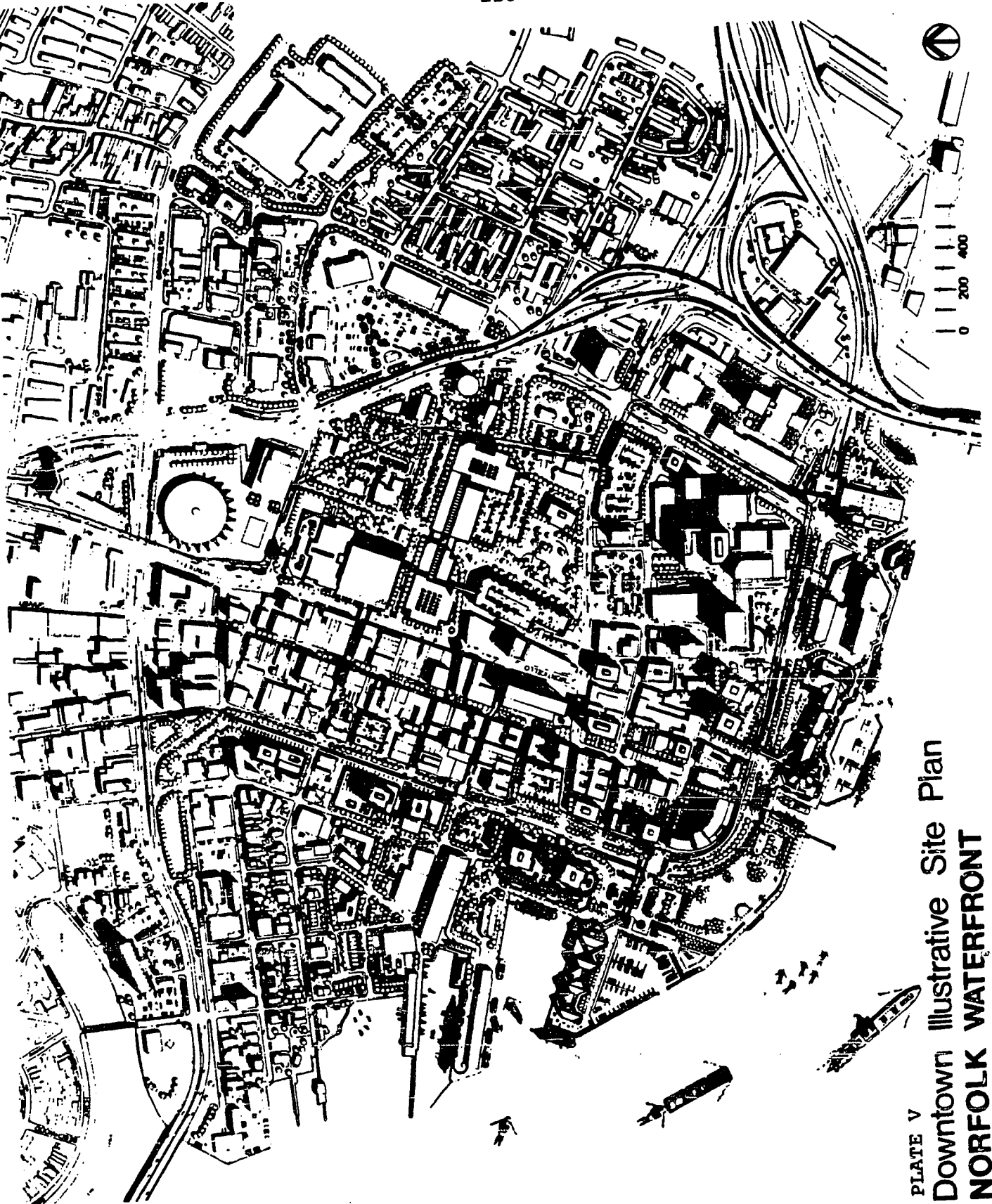


PLATE V
Downtown Illustrative Site Plan
NORFOLK WATERFRONT

CHAPTER VI

FINDINGS

Chronology of Slum Clearance and Redevelopment Activities in Norfolk

Chapter VI chronicles Norfolk's experience in the revitalization of its Central Business District. As the Downtown revitalization program is interrelated with other redevelopment programs in the vicinity of Downtown, it is difficult to isolate the CBD from the developments that occurred on the fringes. Hence, the chronicle includes other important events which the author believes have had an impact on Downtown. The scope of the chronicle has been dictated primarily by the newspaper accounts and personal interviews. This section synthesizes the articles in three Norfolk newspapers, the Virginian-Pilot, the Ledger-Star, and the Journal and Guide, from 1935 through 1985. Interspersed in the chronicle are comments by individuals who have been involved in the Norfolk redevelopment process over a number of years. The purpose is to narrate the redevelopment of the Central Business District as reflected by news sources and personal interviews. It is the intent of the author to fill in the gaps

left by news sources with the knowledge of participants and observers.

It is apparent from this chronicle that Norfolk has influenced public policy during the period of more than 50 years following the Great Depression. The research question of this study is to find out how public programs have evolved since 1935 in remedying problems of CBDs. The evolution of public programs at the national, state and local levels is interpreted by Norfolk's experience. The feeling of the change is made clearer by the observations of those witnessing the events. Although an extensive oral history research effort would provide a more balanced and comprehensive picture of the revitalization of Downtown Norfolk, it is believed that the newspapers and interviews identify and clarify the issues that have been faced since 1935. Extensive footnotes of the articles have been provided to allow the reader to explore the original sources.

The events have been told under the following headings:

1. Origin of Housing Authority, 1935-40
2. World War II Years, 1940-1946
3. Post World War II Years, 1946-1951
4. Slum Clearance at Downtown's Doorstep, 1951-1958
5. Downtown Redevelopment, 1958-1969
6. Downtown Redevelopment, 1969-1977
7. Downtown Redevelopment, 1977-1985

Origin of Housing Authority, 1935-1940. The conditions that led to the decision to redevelop Downtown Norfolk date back to January 19, 1935. At that time, City Manager Thomas P. Thompson announced he would seek a committee of citizens "to make a study of the slum districts of Norfolk with the hope of obtaining Federal funds to eliminate them as other cities are doing."¹ Four days later, on January 23, 1935, five of Norfolk's most prominent citizens agreed to serve on a committee in the hope of eliminating the city's slums and replacing them with modern homes.²

The five-member advisory body was headed by Charles L. Kaufman and consisted of David Pender, George H. Lewis, C. Wiley Grandy and L. H. Windholz. At the age of 34 in 1930, Kaufman was chosen by the Cosmopolitan Club as Norfolk's First Citizen.³ In addition to Kaufman, two other members--Pender and Lewis--were recipients of the Cosmopolitan Club's First Citizen's Medal. Grandy was to receive the medal in 1937. Windholz was nominated for the honor. This award was then, and is still, the most coveted award for outstanding public service.

In commenting on the work plan of the advisory body, Kaufman said:

. . . it was too early to predict just what the committee hoped to do but that its purpose was to try to find some means of cooperation with the Federal Government in its better housing programs and bring about the elimination of slum districts.⁴

The information gathered by the committee formed the basis of a report made by City Manager Thompson on "Slum

Clearance" at a Crime Conference held on March 18-19, 1937.⁵ The City Manager declared that "taxpayers are subsidizing slums to the extent of \$750,000 a year."⁶ He said, "(t)he beginning of practically every epidemic developing in Norfolk can be traced to the slum sections of the City."⁷ Commenting on the crime conference, the Virginian-Pilot editorialized that "Norfolk's first crime conference joined in returning a true bill against slum conditions."⁸ The editorial noted that the value of the crime conference lay in its attack on the mental slum that had to be cleared up before the attack on the residential slum could begin. The editor characterized the mental slum as the "collection of time-resisting ideas in which residential slums are accepted as a necessary by-product of the competitive system." The Crime Conference "attracted large audiences . . . to the five sessions and brought out important information on the cause and treatment of criminal tendencies and the eradication of crime."⁹

The effort to eliminate slums in the 1930s drew opposition from the real estate interests. Realtors contended that the public housing aspects of the program to eliminate slums, "would have the effect of putting the Government in competition with private interests."¹⁰

On September 21, 1937, the League of Virginia Municipalities adopted a resolution requesting the 1938 General Assembly to pass an enabling act to permit any Virginia city which might wish to do so to participate in

the Federal Housing program to eradicate slums.¹¹ The resolution was adopted on the motion of Norfolk City Manager Thomas P. Thompson. The League was holding its annual convention at the Cavalier Hotel in Virginia Beach at the time of the action.

The Virginia Real Estate Association requested Governor Price to withdraw his support for a housing bill before the Virginia General Assembly because "the measure strikes at the fundamentals of democracy."¹²

Despite the protests to Virginia Governor James H. Price, legislation was enacted by the General Assembly in 1938 enabling the City of Norfolk to create a housing authority with power to construct low-rent housing.¹³ Governor Price's message to the General Assembly had urged passage of the housing bill to permit cities of the State to participate, if they saw fit, in the \$500 million Federal slum clearance program. Governor Price's message had explained that the arguments against the housing measure might have been relevant to the adoption of the original program by the Federal Government. His message stated that it was simply an enabling act, and the legislation would not become effective in any community until its governing body should so elect.¹⁴ But the creation of a housing authority remained a hotly contested issue.

Not until June, 1939 did the City Council hold a public hearing to consider the establishment of a housing

authority. "By unanimous vote and without discussion" the City Council decided against establishing a local housing authority "at this time."¹⁵ Ironically, the pressure from the head of the Real Estate Board, James E. Etheridge was believed to have been a major cause for the action by City Council to vote against the creation of a housing authority, although the council set forth no reasons for its actions. Etheridge was later to succeed Commissioner George H. Lewis and serve almost 30 years on the housing authority. He was appointed to the Board of Commissioners of the Norfolk Redevelopment and Housing Authority on September 5, 1940, about two months after the Authority was formed. Etheridge's appointment was considered "in some sections" as "a smart political move for stopping further opposition to USHA projects in Norfolk by the realty board."¹⁶

On the occasion of Etheridge's retirement on April 21, 1970, after almost 28 years as Vice-Chairman of the Authority, Mayor Roy B. Martin, Jr. said, "I don't know of anyone who has served the city any better than he has."¹⁷

Slum clearance efforts continued until 1940 when another vote was taken on the establishment of a housing authority. An important event that led up to the 1940 vote was a state-wide slum clearance conference held in Richmond on January 23, 1940.¹⁸ The meeting was called by the League of Virginia Municipalities to give local officials an opportunity to see what other cities were doing

in slum clearance.¹⁹ City Manager Charles B. Borland, Mayor John A. Gurkin and Councilman Lawrence C. Page attended the conference. Also in attendance was James E. Etheridge, President of the Norfolk Real Estate Board.²⁰ The conference was held at a time when various organizations were urging City Council to set up a housing authority. Among them was the Tidewater Ministerial Association.²¹

Months of lively activity by proponents for slum clearance and those taking opposite views followed. The Norfolk News-Index, a weekly newspaper, crusaded for Norfolk's participation in the Federal slum clearance program. The Index's publisher, W. E. Debnam, debated Otto Hollowell, Executive Secretary of the Norfolk Real Estate Board before the Norfolk Kiwanis Club.²² On April 23, 1940, the Norfolk Association of Commerce adopted a resolution asking City Council to appoint a committee composed of outstanding Norfolk citizens to study Norfolk's slums.²³ A week later the City Council appointed the Kaufman 1935 slum clearance committee to make a new survey of the slum conditions and become the "fact-finding" commission suggested by the Association of Commerce.²⁴

Notwithstanding the pressure to create a housing authority--much of which was coming from the Kaufman Committee that was then known as the Fact Finding Committee--the City Council again on June 25, 1940 voted down the creation of a housing authority. The reasons

given by the majority of the City Council for voting against a local housing authority were:

We are of the opinion that our local city government can eliminate, to a large degree, the substandard housing and insanitary conditions that are said to exist in our slum areas by a strict enforcement of our sanitary and building codes.²⁵

The vote was held after a public hearing on June 19, 1940 in a packed Council Chamber in sweltering heat.²⁶ The vote was 3 to 2 against a housing authority creation.

Editorial criticism by the daily and weekly newspapers was severe. The Index's editor, Debnam, wrote that the City Council had voted on June 25, 1940 "to continue to protect the city's filthy, disease-breeding, crime-fostering, \$750,000-a-year slums."²⁷ A resolution was adopted on July 1, 1940 by the board of directors of the Norfolk Association of Commerce seeking reconsideration of its 3-2 vote on June 25, 1940, rejecting the Federal slum clearance program.²⁸ A formal protest was called at which slum clearance advocates were urged to flood Council with protest petitions "asking for adoption of the USHA slum clearance plan."²⁹

Another event was occurring in Norfolk in 1940 that had an influence on City Council. It was the urgency of defense housing. By mid-July 1940, Norfolk was experiencing an influx of thousands of workers and members of the military. A strong plea for the City Council to set up a local housing authority was made by Rear Admiral Joseph K. Taussig, Commandant of the Fifth Naval District and the

Hampton Roads Naval Operating Base.³⁰ Admiral Taussig indicated that the Navy Department, in conjunction with the U. S. Housing Authority might take advantage of a law that had been recently enacted which would eliminate the necessity of the Navy Department's going through local interests to build low cost housing for Navy personnel.³¹

With pressure for slum clearance projects as well as with housing for national defense civilian and military personnel, City Councilman Wood showed signs of changing his mind. Wood, one of the majority of the three who voted against the proposal to create a local housing authority, indicated an early reconsideration by the City Council.³² During this time City Manager Borland was at work preparing a report on the creation of a housing authority.³³

On July 23, 1940, City Manager Charles B. Borland recommended to City Council that a housing authority be established. In June, 1939, Borland had submitted a report to City Council without recommendation. The City Manager's recommendation for the creation of a housing authority was based on the need for housing to house workers "engaged in national defense activities," however, the City Manager pointed out that such housing could be used by families of low income if it were later determined that defense workers could afford housing built by private enterprise.³⁴ The vote was unanimous in favor of Colonel Borland's recommendation.³⁵

Immediately upon the adoption by City Council of the resolution creating the Authority, Mayor John A. Gurkin appointed a five-man authority. As expected, the same group appointed by City Manager Thomas P. Thompson on the original Kaufman committee on January 23, 1935 and comprising the new Fact-Finding Committee were appointed as the members of the Housing Authority.³⁶

The resolution creating the Housing Authority had to be voted on again. There was a flaw in the form of the resolution. It failed to declare that a need existed for the functioning of a local housing authority. The procedure was repeated in correct form a week later.³⁷ Hence, on July 30, 1940, the City Council officially created the Housing Authority of the City of Norfolk.³⁸ Its purpose was to direct attention to defense housing, but also to go into the needs for slum clearance housing.³⁹ The members appointed to the new Authority were Louis H. Windholz, Charles L. Kaufman, C. Wiley Grandy, David Pender, and George H. Lewis. Windholz, a co-receiver of the Norfolk Southern Railroad, was named Chairman.⁴⁰ In August, 1941, Kaufman moved up to the Chairmanship, which he held until he retired on the Authority's 29th Anniversary on July 30, 1969.⁴¹

World War II Years, 1940 - 1946. The National defense emergency diverted the Authority's enthusiasm for slum clearance temporarily. Kaufman said at a preliminary meeting held on July 30, 1940 in his office that:

. . . we shall probably have to proceed at first with the national defense housing; but in this connection we shall endeavor to handle such projects so that after the defense requirements are past the units will be available for slum clearance purposes.⁴²

Not only was there an interest in military housing from the Navy Department through Rear Admiral Joseph K. Taussig, Commandant of the Fifth Naval District, but the United States Housing Authority (USHA) was concerned about defense housing. USHA Regional Director Oliver C. Winston said that the USHA desired "to assist in every way possible with the rapidly expanding national defense program, seeing its way clear to act on the first 500 units at once."⁴³

The Norfolk Housing Authority Chairman L. H. Windolz dispatched a letter during the early afternoon of August 1, 1940 to USHA Administrator Nathan Straus requesting that funds be earmarked to erect 1,000 housing units to meet defense needs.⁴⁴ On August 28, 1940, President Roosevelt approved a \$1.8 million loan for the construction of 500 homes for the families of enlisted personnel stationed at the Norfolk Naval Base.⁴⁵ Ground was broken for the Authority's first defense housing project, Merrimack Park, on October 18, 1940.⁴⁶ The first group of twenty families moved in April 1, 1941 "despite the rainy weather."⁴⁷

During his visit to Norfolk for the groundbreaking ceremonies incident to the start of construction of Merrimack Park, USHA Administrator Nathan Straus remarked

that the slums in Norfolk were positively the worst that he had ever seen.⁴⁸ Commenting to a Journal and Guide representative who inquired about his impression of Norfolk slums and an apartment building in the 800 block of White Avenue in particular, Straus said:

You may quote me as saying that I have traveled all over these United States from one end to the other, and I have seen all kinds of slums, but this is positively the worst thing I've seen yet.⁴⁹

Among Housing Authority officials accompanying Straus on his tour of inspection of slum areas were George H. Lewis, Executive Director of the Norfolk Housing Authority; Lawrence M. Cox, Assistant Executive Director; Louis Windholz, Chairman; Charles L. Kaufman and David Pender, members of the Authority; Mayor J. D. Wood; Thomas R. Morton, State Labor Commissioner; and others. Recalling the occasion, Cox said that the smell of the building was awful and Straus became ill.⁵⁰

Straus' inspection of the White Avenue area may have eased the way for Federal approval of Norfolk's application for a slum clearance project. The Journal and Guide article noted that Straus was shocked at living conditions he saw in Norfolk and "gave assurance that Norfolk is 'at the top of the list' whenever funds become available for definite slum clearance purposes."⁵¹

Further assurance that Norfolk might receive first consideration for slum clearance projects came after Authority Chairman Louis H. Windholz, accompanied by

Assistant Executive Director Lawrence M. Cox, hand carried a formal application to Straus in Washington, D.C. on September 10, 1940 for a slum clearance project.⁵² The formal application was for \$1,198,000 plus a supplemental loan of \$119,800. Straus is reported to have stated that he would "see that Norfolk receives first consideration" as soon as funds were made available for slum clearance.⁵³

On January 29, 1941, United States Housing Authority Administrator Straus announced in "both an Associated Press dispatch from Washington and a telegram to Louis H. Windholz" that the USHA had set aside \$2,000,000 for slum clearance in Norfolk.⁵⁴ The condition of the allocation was that 10 percent of the project costs would be provided by the Norfolk Housing Authority. The USHA would loan 90 percent of the project cost.⁵⁵

Acting on the USHA promise, the Authority named three black citizens, P. B. Young, editor and publisher of the Journal and Guide; J. Eugene Diggs, a lawyer; and Dr. Richard R. Bowling, a pastor; to serve on an advisory committee.⁵⁶ The Authority felt that cooperation of black leaders was essential in planning slum clearance.⁵⁷ The Advisory Committee met with the Authority's Board of Commissioners from time to time to contribute its views on the major problems affecting the black community. It helped set policies governing Authority operations, named housing projects, and supported zoning changes.⁵⁸ Their primary responsibility was to identify sites for public

housing that would replace dilapidated slum dwellings.

Executive Director George H. Lewis was compelled to resign April 1, 1941 because of illness.⁵⁹ Lewis had resigned as Commissioner in 1940 to become full-time Executive Director. James E. Etheridge had succeeded Lewis on September 5, 1940 as Commissioner. Named to replace Lewis as Executive Director was a Norfolk native, Lawrence M. Cox.⁶⁰ Cox had been Acting Executive Director for several months while Lewis was on a leave of absence.⁶¹ In a front page story the Norfolk Ledger-Dispatch had this to say about Cox:

Before becoming Assistant Executive Director of the local authority last August 16, 1940, Cox was employed by the United States Housing Authority, and its predecessor, the Public Works Administration Housing Division since the inception of the public housing program in 1933. The last few years he spent as special assistant to Jacob Crane, Assistant Administrator of USHA. Since December 1940, he had been Acting Executive Director of the Norfolk authority.⁶²

Local leadership at the Norfolk Housing Authority changed in 1941. The Authority's first Executive Director, George H. Lewis, died.⁶³ Louis H. Windholz, the Authority's first chairman, also died.⁶⁴ Thomas H. Willcox succeeded Windholz as Authority Commissioner.⁶⁵ Charles L. Kaufman was elected Chairman of the Authority and C. Wiley Grandy was elected Vice-Chairman.⁶⁶

The attack on Pearl Harbor on December 7, 1941, placed additional priority on the construction of more defense housing at the expense of eliminating slums. Notwithstanding opening of the 500 units of housing at

Merrimack Park in 1941, the housing shortage for defense workers became critical.⁶⁷

In addition to the problems of slums, during 1941 there had been a steady influx of defense workers and military personnel. Construction had begun in July, 1941, on Oakleaf Park.⁶⁸ The first families moved into the 300-unit defense housing project on Campostella Road on January 2, 1942.⁶⁹ The housing project was used primarily by persons employed in the Norfolk Navy Yard.⁷⁰ Later Oakleaf Park would be used to house families displaced by slum clearance projects.

Earlier, on May 13, 1941, City Council had approved a cooperation agreement with the Authority that anticipated the construction of housing for low-income families prior to slum clearance.⁷¹ Council's action resulted in the construction of 230 housing units in 25 buildings that were to be located on Princess Anne Road and become the "first of its kind under the Housing Authority."⁷² Work was underway in building the project in February, 1942.⁷³ But when the defense needs for housing increased, Roberts Park was shifted to a war housing project and occupied by war workers and their families.

A temporary housing project for 124 family units was built in 1943 adjacent to Roberts Park for occupancy by war workers.⁷⁴ Another temporary project was built for 344 family units at Colley Avenue and 25th street known as Commonwealth Apartments. Both were war apartments. A

third temporary project, Carney Park, provided housing for an additional 224 families. It was built in 1943, and located in Titustown.⁷⁵ Roberts Park reverted to being used as a slum clearance project after the emergency. The temporary project, Roberts Park Apartments, was later demolished. The site was made available for Roberts Park Elementary School.

Norfolk's population grew from 137,500 in 1939 to a wartime peak of 305,121 in 1943.⁷⁶ The results of the 1940 Census showed that 35 percent of Norfolk's dwellings had no private bath.⁷⁷ The percentage of dwelling units with "no private bath or dilapidated" had dropped to 29.5 percent by 1950.⁷⁸ The Authority stepped up its role in housing during the World War II years to supply an additional 3,462 dwelling units for families and single workers. These included 1,030 units at Merrimack Park, Oakleaf Park and Roberts Park; 1592 temporary dwellings; 540 single dormitory rooms, and 300 trailers at Lewis Park.⁷⁹

Despite the provision of new housing, the housing problem remained critical. Families were doubled up. Older and larger houses were subdivided to accommodate several families. Vacant rooms in private homes were in great demand. Housing for veterans was growing more serious and many of the war workers were not leaving.⁸⁰

As the Authority moved toward the end of 1945 and the end of World War II, it announced a postwar slum clearance building program to provide housing for "white

and Negro families at an estimated agreement cost of \$9,075,000."⁸¹ The new projects would be "seven in number" and "designed to accommodate 1690 families."⁸² As the Federal law then required the elimination of a substandard dwelling for each public housing unit erected, the congested housing conditions existing in the City presented difficult problems to overcome.

The Authority was able to establish the need for a slum clearance program, but the opposition to public housing became stronger after World War II. The real estate interests were demanding that the thousands of temporary defense housing units be disposed. A joint commission was appointed by the Norfolk City Council and the Norfolk County Board of Supervisors to advise the legislative bodies on the disposal of war housing facilities in the area.⁸³ Private real estate interests were named to the commission. Charles Kaufman was named chairman; Lawrence Cox was made Secretary.

Debate was beginning in Congress to remove the restriction that cleared slum areas be used only for public housing. Legislation had been introduced in the United States Senate on November 14, 1945, to expand the public housing program and to establish a "five-year program for urban redevelopment."⁸⁴ Anticipating that the Federal law would be amended to remove the restriction to require public housing reuse, Lawrence Cox asked that the 1946 General Assembly pass an enabling act to permit

Virginia localities to take advantage of the benefits fixed in the Wagner-Ellender-Taft bill then pending before the Congress.⁸⁵ Under the proposed Federal legislation, housing authorities, where States pass enabling legislation, would be empowered "to acquire, clear and make available to private enterprise such blighted areas for redevelopment."⁸⁶ Housing authorities were already empowered to make land available for public uses that were consistent with a sound land use plan in a community. Examples of public use include jails, city halls, fire stations and school buildings.

After much debate in the Virginia General Assembly in 1946, House Bill 236 was approved on March 13, 1946, that subsequently enabled the Housing Authority of the City of Norfolk to become the Norfolk Redevelopment and Housing Authority and to be empowered with authority to acquire, clear and make available to private enterprise blighted areas for redevelopment.⁸⁷

Of importance during the era of the enactment of legislation that delegated to housing authorities broad powers was the validation given the legislation by the Supreme Court of Virginia. In the case of *Hunter v. Norfolk Redevelopment and Housing Authority*, Supreme Court Justice J. Eggleston of Norfolk, delivered the opinion of the Court stating:

. . . the primary purpose of the legislation is the eradication of slums, and the provision making property available for redevelopment by private enterprise is merely incidental to this main purpose and reasonably designed to prevent recurrence of the conditions producing slums.⁸⁸

On June 19, 1946, the Authority became the Norfolk Redevelopment and Housing Authority.⁸⁹ This was the beginning of another stage in the redevelopment process that would ultimately lead the redevelopment of the Central Business District.

Post World War II Years, 1946-1951. The year 1946 was an important year for the Authority and Norfolk. It was a year that marked the change in name of the Housing Authority of the City of Norfolk to the Norfolk Redevelopment and Housing Authority. It was a year when the Authority's scope of activities was broadened. Since the Authority's creation on July 30, 1940, World War II had intervened. The Authority had become one of the nation's largest operators of war housing. In 1946 it was ready "to assume the role for which it was created: builder and operator of low-rent housing for low-income families." In addition, a new function was added to the Authority's mission. That was to "purchase the blighted area for resale to private developers."⁹⁰

The emphasis on revitalization was strengthened in 1946 by a change in late summer in the Norfolk City administration. A three-man business-minded Councilmanic ticket came to power. The new council set a tone that was to continue for years. Elected to Norfolk's five-member City Council in 1946 were Richard D. Cooke, a lawyer who had been chairman of the United War Fund for two years; Pretlow Darden, an automobile dealer; and John Twohy II,

head of a sand and gravel business. The councilmanic campaign of 1946 was a heated one. The candidates had run on a platform that promised "business-like government, free from political influences." They pledged they would not seek a second term. Known as the Cooke-Darden-Twohy "Peoples Ticket", the trio defeated the incumbents in June 1946 by nearly 2 to 1 in a vote that broke all Norfolk records.⁹¹

In September, 1946 the winners took control of City Council. Cooke was elected mayor. The businessmen were eager to initiate sound principles of management into city government and to implement the powers brought with the Virginia Redevelopment Law of 1946. But first, a city manager had to be appointed. City Manager Charles B. Borland had resigned in December, 1945 over differences with the City Council.

In October, 1946 C. A. Harrell was appointed City Manager to take office November 6, 1946.⁹² Recognized as a "career" city manager, Harrell quickly began to overhaul city government. Professionals were hired in key positions in city government and municipal services were broadened on a more equitable basis. Harrell foresaw the benefits that the residents of Norfolk could derive from an active program of redevelopment and revitalization on a broad scale.⁹³

Midway through their term, the Cooke-Darden-Twohy leadership took an initiative that was responsible for

Norfolk's being the first city in the United States to undertake redevelopment under the Housing Act of 1949. Anticipating the passage of the Housing Act of 1949, the Norfolk City Council appropriated \$25,000 on December 21, 1948 to make studies of existing slums and plan their redevelopment.⁹⁴ Consultants were retained on March 21, 1949 to formulate a slum clearance and redevelopment program.⁹⁵

Norfolk was then moving swiftly to be ready when the Act was passed. President Truman signed the 1949 Housing Bill on July 15, 1949. As President of the National Association of Housing and Redevelopment Officials, Executive Director Lawrence M. Cox was present at the signing. Cox was one of the recognized architects of the national legislation. President Truman said that the new legislation was his first major victory in his "fair deal" legislative program and that the measure:

. . . equips the Federal Government, for the first time, with effective means for aiding cities in the vital task of clearing slums and rebuilding blighted areas.⁹⁶

A new Authority Commissioner was named in July, 1949 to replace Thomas H. Willicox, who resigned. The successor was Melvin T. Blassingham, a retired lumber dealer and later father of Norfolk's Oyster Bowl.⁹⁷

By mid-August, 1949, the Federal Government had approved Norfolk's \$25 million public housing program made possible by the 1949 Housing Act. Under the approval, "3000 low rent public housing units would be built during

the next two years under provisions of the new National Housing Act."⁹⁸ Norfolk shared the distinction with Galveston, Texas of being the first two cities to be assigned an allocation of housing units under the new public housing programs then being activated under the 1949 Housing Act.⁹⁹ The United States Daily News (official publication of the United States Conference of Mayors) reported that Norfolk, Los Angeles, and Minneapolis were the first cities to make surveys of their blighted areas and draft specific development plans for their elimination. The U.S. Daily News commended the foresightedness of the Norfolk City Council in making \$25,000 available to the Authority for a study of local housing conditions that enabled the City to be the first in line with its application for 3000 housing units.¹⁰⁰

On October 3, 1949, a 130-page report augmented by numerous maps and charts, was released. The New York consulting firm of Harrison, Ballard & Allen, recommended that priority be given to more than 300 acres of congested slum properties located generally east and northeast of downtown.¹⁰¹

Prepared under the direction of Planning Consultant Charles K. Agle with the assistance of Field Supervisor George M. Raymond, the report's foreword offered direction with this statement:

The Housing Act of 1949 recently passed by the Congress enables cities to clear slums or provide housing for the lowest income groups or both.

The potential benefit of the Act to aggressive cities is greater than popularly understood. The previous federal public housing legislation of 1937 was directed to alleviating unemployment and rehousing low income families. The present Act continues this and adds the redevelopment aspect, of greater and more visible significance to every citizen of a community.

A city can now take major steps to cure its highway and parking troubles, provide adequate school and recreation space, free space for industrial and commercial employment, and make possible high class private development near the center. The Act provides substantial federal aid and requires a comparatively small outlay of city funds, which in time may be more than recaptured by decreased city operating costs.

This report comprises an assembly of detailed facts available in 1949 and conclusions which can be drawn from them to formulate a program of several years' reconstruction. An attempt has been made to adhere to a single guiding principle: the physical and economic improvement of the City of Norfolk. Specific suggestions covering slum clearance, low rent public housing, highways, schools, playgrounds, parking and utilities are physical components which are not an end in themselves.

Proper execution of the program requires understanding of four hard facts by the citizenry of Norfolk and every public official:

1. The size of the program is large and requires thinking and planning in large terms.
2. It is the only chance the City ever has had to accomplish a drastic modernization of its heart.
3. The scope of the program is so broad that it requires the collaboration of every department of the city government and the cooperation of all manufacturing and commercial interests. In order to exploit the opportunity to the utmost, all related interests and resources should, for the next few years, be focussed on the center of the City.
4. The future of Norfolk for the rest of its history will be fixed by the action of the next ten years.¹⁰²

The survey report was received with mixed reaction. Civic leaders were delighted with the report as it called for remedial steps designed to wipe out slums in the path of any future expansion of the Central Business District. Downtown merchants were pleased not only because of the possibility of eliminating slums eating into the heart of downtown, but because "problems incident to Norfolk's peculiar location with no direct access from the North and West, except by ferry may be corrected" ¹⁰³ A section of the report dealt with approach accommodations for the then proposed downtown Norfolk-Portsmouth Bridge Tunnel.

Building and loan and real estate interests were not so delighted. Frank Schlegel, president of the Norfolk Federal Savings and Loan Association charged that earlier Councils were responsible for city slums. He warned the City Council not to implement the recommendations of the survey report without the authority of the taxpayers.

Irving F. Truitt, Vice-President of the Norfolk Real Estate Board and Chairman of its Public Affairs Committee, asked for a public hearing on the controversial program. He said he was not against slum clearance, but "against the way this thing is being done and the implications found in the future." He cited numerous objections to the report and offered an alternative proposal for remedying the city's slums. ¹⁰⁴ The program he suggested called for:

- a. A minimum housing code enforced on existing and new construction.
- b. Abolition of rent control.
- c. Adequate enforcement of health and sanitation standards in all selections of town.
- d. An increase in real estate tax assessments of 20 cents per \$100 to bring in \$400,000 annually for buying slum properties which could be resold to private enterprise for development.¹⁰⁵

The city's black leaders supported the slum clearance efforts. J. Eugene Diggs, a black attorney, pleaded with Council to see the proposal as "more than mere dollar and cents." He said to Council "(y)ou are not saving dollars, you are saving human souls." Diggs said, "I wish that those who object to this program could walk through the slum areas, and then come back and say they should remain."¹⁰⁶

P. B. Young, publisher of the Journal & Guide, and a member of the three man black advisory committee to the Authority, said that housing for families of low income was needed to save good people from physical and moral deterioration and to save the community from the consequences of these things. A Virginian-Pilot editorial expressed approval of the plan.¹⁰⁷

Ministers supported slum clearance. Rev. Beverly Tucker White, rector of St. Andrew's Episcopal Church, used slum clearance as a sermon topic on December 4, 1949,

the final Sunday before the City Council was to act on the recommendation to build public housing. His attack on slum clearance opponents drew praise from clergymen attending a meeting of the Norfolk Ministerial Association the next day.¹⁰⁸ Rev. Paul E. Crandall, Association president, told the clergymen "it's up to us to influence the people in our churches and the community to realize the importance of the program and to disregard the opposition."¹⁰⁹

On Tuesday, December 6, 1949 the City Council heard three hours of debate on the proposed slum clearance program. The council gave unanimous approval to a program calling for the construction of 3,000 public housing units. This action was to prepare the way for redevelopment which was to follow. The decision to build public housing as a relocation resource for families moving from slums was an important step in the evolution of Norfolk's urban revitalization.¹¹⁰

Slum Clearance Begins at Downtown's Doorstep, 1951-1958.

With public housing units under construction, the Norfolk Redevelopment and Housing Authority turned its attention to formulating detailed slum clearance plans. In early 1951 the Authority filed an application with the Housing and Home Finance Agency (HHFA) for a \$6 million loan and \$3 million Federal grant to carry out its slum clearance plans. It was the first request to reach HHFA.¹¹¹

On March 21, 1951 HHFA earmarked \$1 million for what was to be the nation's first redevelopment project under the Housing Act of 1949. Hearings were held on August 10 and August 20, 1951 to acquaint property owners with the Authority's plans for the acquisition of properties in the proposed redevelopment project. Chairman Kaufman and Mayor Duckworth admitted the program would hurt some individuals. Duckworth said the slum clearance program "may adversely affect 1,000 people, but it will help 10,000."¹¹²

As the first redevelopment project plan had earmarked land for what is now segments of Tidewater Drive, Virginia Beach Boulevard, and Brambleton Avenue, opposition was expressed to realign the proposed route of the streets to affect few homes.¹¹³ Attorney James G. Martin, IV, who said he represented 60 property owners, told the Council his clients "are highly resentful that their homes are being taken."¹¹⁴ Kaufman explained that all property owners will be fairly compensated for their property. He said "there will be some hardship to be endured, of course, but from the overall view it is for the best." He added: "We will help people relocate their homes, and in many cases, they will end up with better property than at first."¹¹⁵

On August 21, 1951, the City Council approved the redevelopment project.¹¹⁶ A month later, families in the clearance area were relocated in Roberts Park, one of five

public housing projects built to accommodate families and individuals living in the slum areas.¹¹⁷ Redevelopment Project No. 1 was underway.

December 11, 1951 is the date that is remembered as the beginning of redevelopment. It was on that date that the first slum structure was demolished. The ramshackle slum dwelling was located at 755 Smith Street, just outside the Central Business District.

Being the first in the nation to implement the redevelopment process under the 1949 Act, the Authority carefully planned for the important event. Lawrence M. Cox rehearsed his part as bulldozer operator the day before the opening ceremony. The demolition ceremony was planned around the lunch hour to build attendance. Fox Movietone and other national news media were present for the pioneering effort. Invitations to dignitaries had been sent out with expectations of a good response. The event attracted an estimated 2,000 people.¹¹⁸

The ceremony was held on a cloudy and dreary day. The speaker's stand had been built to seat a large number of public officials and invited guests. In attendance were Authority Chairman Kaufman and members of the Authority's Board of Commissioners and Executive Director Cox. Mayor W. F. Duckworth, members of the City Council, City Manager Harrell and City department heads were seated on the platform.

In addition to the speakers from the City of Norfolk

and Authority, John S. Alfriend and Nathaniel S. Keith spoke. Alfriend was president of the National Bank of Commerce (later Sovran), having been elected to that position on January 14, 1942. Keith was director of Slum Clearance and Redevelopment for BRFA.

Highlights of statements of the speakers provide the sentiment of the time toward the need for slum clearance and redevelopment. The principal speaker Keith said:

This is a real demonstration of democracy in action. Reuse of the land to be cleared of slums will encompass practically the entire range of community development possibilities--commercial, industrial, low-rent public housing, rights-of-way, and other facilities.¹¹⁹

Mayor W. F. Duckworth, who had assumed the office three months earlier, made this observation.

The interest displayed by the entire city government in planning this pioneering project should give the Authority every reason to expect the same degree of cooperation will be forthcoming during the effectuation of this program.¹²⁰

The seriousness of the conditions of the deteriorating dwellings can be grasped from the statement by Alfriend. He said he recalled as a boy:

These tawdry-looking dwellings and flats were a blot on the eastern horizon. They've grown uglier with each passing year. Lacking sanitary facilities as they do, it's a miracle that a pestilence has not arisen here and scourged our city.¹²¹

Kaufman had this to say:

What you are about to see will be written indelibly on the pages of Norfolk history. What we are writing will be everlastingly to the credit of those who have climbed this long and tortuous trail to the point we have reached today.¹²²

The author recalls that the highlight of the ceremony was a bulldozer bringing down a slum dwelling. Kaufman and Cox were at the controls. A cable that had been tied around the dwelling and attached to the bulldozer sliced through the house, but the dwelling remained. A little dust was seen as the upper stories of the dwelling dropped a fraction of an inch. It was later learned that the stairwell prevented the house from toppling over. With the help of a heavy moving crane and cable, the bare-headed team of Kaufman and Cox were successful. Fortunately, the house didn't fall on them. It came close.

Redevelopment Project No. 1 moved swiftly. In fact, the project was four months old before Norfolk had a contract with the Federal government which provided funds for the multi-million dollar program.¹²³ Not until April 15, 1952 did Charles C. McCall, HHFA's chief financing officer, execute the first contract in the country under Title I of the Slum Clearance and Urban Redevelopment Section of the Housing Act of 1949.¹²⁴ By then 200 of the 1,200 structures in the initial slum area had been demolished. About 500 of the 2,900 families living in the project area had been relocated.¹²⁵

But moving swiftly and taking risks have been the Authority's trademarks. The Authority's initial planning for Redevelopment Project No.1 and subsequent projects had started with a contract between NRHA and Harrison, Ballard

and Allen in 1948. As noted above, the City Council took the risk of appropriating \$25,000 on December 21, 1948 for the Authority to conduct essential slum clearance studies and a planning program in anticipation that the 1949 enabled the City to qualify for Federal aid. The City and the Authority did their planning, a condition that was later required for Federal assistance. The 1951 attack on slums at downtown's doorstep followed the pattern of foresight paying off.

Realizing that the secret to downtown revitalization could come only after the slums and blight were removed from Downtown's doorstep, the Authority followed up Redevelopment Project No. 1 by planning for another redevelopment project on the northwest boundary of Downtown. The planning of a second project came after the Authority felt reasonably assured that the first project had fulfilled most of its objectives.¹²⁶

Over five years passed between the activation of Norfolk's first and second urban development projects. During this period, Redevelopment Project No. 1 resulted in the clearance of 127 acres of downtown slums, one-fifth of the City's slum area.¹²⁷ Before the project was phased out in 1964, expected and unexpected results had been achieved. Among the expected results were rights-of-way for two boulevards, the widening of three main streets, a 752-unit low-rent housing development, a new school, several playgrounds, a fire station, police station, and

cleared acreage for some 30 new commercial buildings erected by private interests. An unexpected benefit was the Golden Triangle Motor Hotel (later to become Holiday Inn-Waterside Area), often referred to as the keystone of the project.

Just as slum clearance had been the motivating force for Redevelopment Project No. 1, so was it the rationale for undertaking the second project, the Atlantic City Redevelopment Project. A secondary interest for both projects, however, was the need to move traffic to, around, and within the downtown area. For the Atlantic City Redevelopment Project, the De Leuw Cather traffic and highway study provided this impetus. This study reinforced the City's 1950 Major Highway Plan which called for the extension of Hampton Boulevard into the downtown area.¹²⁸

On July 10, 1957, the Atlantic City Redevelopment Project received final Federal approval from the Urban Renewal Administration.¹²⁹ Demolition in the area began on September 26, 1957. Some 140 acres were cleared involving 361 structures and 400 families. With the exception of two houses, all the dwellings were built prior to World War I. Unlike the first redevelopment project, the Atlantic City project did not provide for any public housing. Families displaced from Atlantic City were adequately rehoused in vacancies resulting from normal turnover in public housing projects. Some families were able to afford housing on the private market.

The Atlantic City Redevelopment Project created a section of highway (Brambleton Avenue) and an extension of Hampton Boulevard which were later to link up with the second tunnel approach to Portsmouth. Sites were provided for a medical office building next to Norfolk General Hospital. Land was made available for private apartments, commercial development, a park along the Hague Waterfront and the Eastern Virginia Medical School. Other medical facilities included a Public Health Center, the expansion of Norfolk General Hospital, King's Daughters Childrens' Hospital and the Tidewater Rehabilitation Institute.

In preparation for major redevelopment that was to follow in the core of Norfolk, a Master Plan for the Central Business District was prepared by Charles K. Agle, a Princeton, N.J. architect and consultant who had directed the 1949 study. The July, 1956 plan stated:

Downtown Norfolk, south of Brambleton and west of Church, potentially can serve as the top shopping, commercial, and financial center for a future population upwards of 2,000,000 people. Its area of influence can include most of Tidewater Virginia, eastern North Carolina, the lower Peninsula and much of the Eastern Shore of Maryland.¹³⁰

Agle found that Norfolk had "an obsolete and congested street pattern resulting from the national revolution in transportation." He praised the action taken through prior redevelopment projects of bringing traffic arteries to Downtown. Agle criticized the Downtown area for its inadequate internal circulation and parking, the slums and commercial property of waning use-

fulness, and the appearance of the downtown which he termed "neglected and slovenly."¹³¹

The Agle plan was approved by the City Council on November 13, 1956 and made a part of the City Plan.¹³² The major proposed features of the Master Plan pointed out that:

Existing or already planned highways leading to the CBD have greater capacity than existing streets within. Specifically, Tidewater Drive, Brambleton Avenue, Virginia Beach Boulevard, the underpasses at Monticello and Tidewater Drive, the bridge and tunnel to Berkeley sic and Portsmouth, and the now planned extension of Brambleton Avenue west across a new York Street bridge to connect with a second tunnel to Portsmouth and Hampton Boulevard, to the Navy Base, collectively provide strong spokes leading to the CBD hub. Highly useful and essential as these various assets may be, they will themselves exaggerate the congestion problems at the center unless corresponding action is taken in the near future within the CBD itself.¹³³

While the doorstep to downtown Norfolk was being redeveloped on the west, planning activity in the Central Business District had been moving ahead simultaneously. It is the Downtown Redevelopment Project that will now be examined to determine the effects of the redevelopment projects described above and other factors on its revitalization.

Downtown Redevelopment, 1958-1969. Implementing the Downtown Plan through redevelopment became an issue early in 1958 when attempts were made in the General Assembly of Virginia to require a referendum. The issue was raised by State Senator Robert F. Baldwin. Although Senator Baldwin favored the overall concepts of the Plan, he felt

that Downtown redevelopment was such a major undertaking as to require approval by the voters at a special election. The threatened referendum legislation failed because of the strong public acceptance of the Downtown Plan.¹³⁴

During the first six months of 1958, there was considerable discussion about undertaking such a massive redevelopment of Downtown Norfolk. Editorial support by the Virginian-Pilot and the Ledger-Dispatch and Star helped shape public opinion. An editorial in the Ledger-Dispatch and Star noted:

Upon Project 3 (Downtown Project) depends in a large measure the future of the city's downtown section, where land values face the threat of continued decline. It is heartening that months of planning soon will be translated into action.¹³⁵

Endorsements were also given the proposed downtown project by the Board of Directors of the Norfolk Chamber of Commerce and the Norfolk-Portsmouth Real Estate Association.¹³⁶

On June 24, 1958, the City Council approved the Downtown Redevelopment Project. The debate ended and the Authority was directed to obtain Federal approval. Before the vote was taken, Chairman Kaufman said:

This represents undoubtedly a large and bold step in the rebirth of our city. Unless we do something, downtown is doomed.¹³⁷

As there was less than a week before the end of the Federal Government's fiscal year that ended June 30, 1958, the Authority moved swiftly to get approval by the

Philadelphia and Washington offices of the Urban Renewal Administration. Approval came in the form of a telegram from Representatives Porter Hardy, Jr., (D. 2nd District) on July 4, 1958.¹³⁸

The Downtown Project consisted of Downtown Redevelopment Project-North, VA. R-8 and Downtown Redevelopment Project-South, VA. R-9, popularly called the Downtown Project. The area contained 838 residential and commercial structures. The project covered 85 percent of the Central Business District. It was described as "a dead-end location, reached only by narrow traffic-clogged streets."¹³⁹

Once Federal approval was received, the Authority began the execution phase. A demolition ceremony was held on July 30, 1958. The target for the demolition was the old National Hotel, located in the heart of East Main Street and on a site that was later to become the Civic (Municipal) Center.¹⁴⁰ Kaufman presided at the ceremony. He observed that the large crowd assembled to watch the demolition were seated or standing on a section of the 50 waterfront acres which constituted the original Norfolk. He said:

Around you stand, we might add, the remnants of the same first buildings that were erected after colonial Norfolk was virtually demolished by the British fleet.¹⁴¹

Representing the Federal government at the downtown ceremony was Richard L. Steiner, Commissioner of the Urban Renewal Administration. He said:

What is happening in Norfolk today is that an old order is passing and a new one is replacing it. It has been aptly said you're doing away with the accumulated deterioration of 150 years.¹⁴²

Commenting that Norfolk launched the nation's first redevelopment project on December 11, 1951, Steiner read a statement by Albert M. Cole, Administrator of the Housing and Home Finance Agency:

It occurs to me that Norfolk is blessed with three advantages. These are imaginative citizens, imaginative officials, and an imaginative press. When a community possesses this triple threat, it is going places. Beyond this, however, Norfolk has taken advantage of its advantages--and there is the lesson in a nutshell. You are marching together.¹⁴³

When Norfolk's Downtown Redevelopment Project (R-8 and R-9) started in 1958, the objectives were to eliminate blight, improve traffic movement, and revitalize the heart of the City. The objectives also called for a new Civic Center, including a new City Hall and new public safety building, parking facilities, office buildings, and a shopping center.

During the next ten years, revisions and amendments were continually made to the Downtown Redevelopment Project. On June 27, 1961, the City Council added Downtown Redevelopment Project-East, VA. R-18. The City of Norfolk's share of the cost of the 21-acre addition was estimated to be \$848,499.00.¹⁴⁴ Within a month, plans were announced for a downtown shopping center on the 21-acre site to accommodate merchants who wanted to relocate near their present business establishments.¹⁴⁵

Other public physical improvements were made downtown in anticipation of future private development and the avoidance of taxes that would be lost because of clearance. New streets were opened to improve traffic flow between downtown and the area that was to become the Medical Center and location of the Eastern Virginia Medical School.¹⁴⁶ Work began on the second phase of the Civic Center.¹⁴⁷ The City Council named old East Main Street "Main Plaza East".¹⁴⁸ St. Paul's Boulevard was opened to both northbound and southbound traffic.¹⁴⁹ Through the ingenuity of Lawrence M. Cox and the support from Senator A. Willis Robertson, Norfolk's downtown was to benefit from a provision under the Housing Act of 1965 that would allow the Cultural and Convention Center (Scope) to be included as Norfolk's non-cash share of redevelopment costs.¹⁵⁰ The non-cash credit for Scope was ultimately to be the incentive that spurred other redevelopment and conservation activities in the City.

Private development occurred during the 1960s as the staged implementation plan was being effectuated. For example, the Golden Triangle Motor Hotel (Holiday Inn-Waterside Area) opened on land situated in UR VA. 1-1 along Brambleton Avenue.¹⁵¹ The Virginia National Bank (Sovran) announced plans to construct a \$12-million, 24-story headquarters.¹⁵² The Downtown Plaza Shopping Center opened.¹⁵³ The Authority contracted with Hague Towers Associates of Washington, D.C. to construct a \$7.5

million twin-phase apartment complex on an eight-acre Hague site in Downtown.¹⁵⁴

The decade of the 1960s was one of national and international importance to Norfolk. The Authority publication, Downtown Redevelopment, was to receive wide acclaim.¹⁵⁵ Norfolk achieved national prominence with the Congress, as Mayor Duckworth and others appeared before the U. S. Senate Banking and Currency Committee to credit urban renewal for keeping the City out of the depressed-area ranks.¹⁵⁶ Roy Martin, Hunter Hogan, Charles Kaufman and Lawrence Cox stated to a U.S. House Committee that it took a dose of "urban renewal medicine" to cure their "sick and dying city."¹⁵⁷

Civic leaders from various cities came to Norfolk to study its renewal program.¹⁵⁸ Executive Director Cox was invited to lecture on urban revitalization at seminars in Athens, Greece; and The Hague, Holland.¹⁵⁹ The Sigma Delta Chi (national journalistic society) held a four-day convention at the Golden Triangle Motor Hotel.¹⁶⁰ Journalist Walter Cronkite and other media personalities praised the redevelopment program in Downtown Norfolk and adjoining areas. Fifty-two officials from 26 nations in the underdeveloped areas of Asia, Africa and Latin America arrived for a two-day inspection of Norfolk's redevelopment and housing projects.¹⁶¹ The Post Tribune of Gary, Indiana, declared "Norfolk is a shining example of how a disreputable city can be transformed into an community in

which its residents can take pride."¹⁶² Detroit's Mayor Cavanaugh said Norfolk's redevelopment made the City "a showcase for the rest of the country."¹⁶³ HUD's first secretary, Robert C. Weaver, remarked after a walking tour of Norfolk's Berkley area that "(t)his City (Norfolk), is where the story of rebuilding American cities begins."¹⁶⁴

Perhaps one of the most successful and active programs begun in the 1960s was the Bell-Diamond Manor Redevelopment Project, VA A-1-3, in the Berkley section of Norfolk. The Berkley neighborhood is across the Eastern Branch of the Elizabeth River from Downtown Norfolk and marks the entrance to Norfolk. At the public hearing that was sponsored jointly by the Norfolk City Council and the Norfolk Redevelopment and Housing Authority, Berkley resident and civic leader Harvey S. Hicks acknowledged that "Dr. Weaver's visit (on March 20, 1967) helped to crystallize the thinking of the citizens of Berkley."¹⁶⁵ Hicks commended the staff members of the Authority for meeting bi-weekly with the Neighborhood Assembly in Berkley in the planning stages of the neighborhood's redevelopment. Hicks stated at the hearing that the neighborhoods had "given unanimous approval to it" and that the "project will be something that we can look to as a monument in the history of our community."¹⁶⁶

Hence, from 1967 until the approval of the Bell-Diamond Manor Redevelopment Project in 1969, the Authority's close cooperation with the residents in pro-

posed redevelopment project areas was noticeable.

On October 6, 1967, the Department of Housing and Urban Development approved Norfolk's Survey and Planning Application for \$274,396.¹⁶⁷ This approval confirmed a reservation of \$8,017,000 in Federal funds for East Ghent-North, Va. R-55. The grant reservation led ultimately to the development of Ghent Square and the revitalization of surrounding neighborhoods. The revitalization of Downtown Norfolk was influenced by redevelopment and conservation activities in Ghent.

Another key development in the revitalization of the City that enhanced the appearance of the approach to the CBD was the Educational Center Project. This project called for the expansion of the campus of Norfolk State College (now Norfolk State University) and Booker T. Washington High School. The primary purpose, however, was to clear the deteriorating structures. The blighted area within the project contained more than 400 substandard structures housing 600 families. The redevelopment included the provision for 395 new housing units and the upgrading of public facilities such as utilities, streets, landscaping, lighting and water and sewer.¹⁶⁸

The Educational Redevelopment Project was opposed by Brambleton homeowners at a public hearing on the project on October 17, 1967.¹⁶⁹ They feared eviction and appealed for consideration in the planning of the project. Lawrence M. Cox said:

In the matter of relocating families and businesses, we will not be under great pressure. This project will be carried out in a gradual fashion. It will come in stages as the college (Norfolk State University) moves ahead with its plan. There will be no mass movement of families.¹⁷⁰

As was customary since the initial redevelopment project, the Authority reassured the residents that neither families nor individuals would be required to move, except possibly on a temporary basis, until they had been given an opportunity to obtain decent, safe and sanitary housing within their financial means.¹⁷¹

It was on the date of the public hearing of the Educational Center Redevelopment Project that Mayor Roy B. Martin, Jr., made a statement about redevelopment that has been repeated often ever since. During the course of the hearing Mayor Martin looked out the window of the City Council Chambers overlooking Downtown and said that only a glance out of the council chamber windows would indicate the debt the city owes to the redevelopment projects. He remarked, "(t)hey have been the savior of this old seaport worn-down town."¹⁷²

Through the efforts of Authority Commissioner Pretlow Darden, officials at Norfolk State College (University), and others, the Commonwealth of Virginia agreed to pay to the Authority the one-third local share of the Norfolk State College expansion area of the Educational Center Redevelopment Project. This contribution amounted to \$2,266,835.¹⁷³

In February, 1969, Cox was appointed HUD Assistant Secretary for Renewal and Housing Assistance by Secretary George M. Romney.¹⁷⁴ Cox was honored at a Civic luncheon and presented a certificate for outstanding service to the city.¹⁷⁵

By 1969 most of the blight in Downtown Norfolk had been removed. A new Downtown Plaza Shopping Center had been built, and a north-south artery in downtown--St. Paul's Boulevard--had been constructed. Downtown had been able to attract new office buildings. A portion of East Main Street was closed and became Main Plaza East, a landscaped pedestrian walkway.

There were some unintended benefits for Downtown. The \$28 million Cultural and Convention Center, the largest single construction project ever undertaken by the City, was built. It was designed by Pier Luigi Nervi, of Italy, world-famous designer of concrete structures in conjunction with the Norfolk architectural firm of Williams and Tazewell & Associates. The dual facility enabled Norfolk to accommodate big conventions for the first time. The Convention Hall, with its graceful buttresses, provided a 340-foot clear span dome with an 11,500 seating capacity. An adjacent theatre (now the Chrysler Theatre) was a five-story structure encased in tinted glass, with 2,500 seats, 1,800 on the orchestra level and 700 in five-tier boxes.

The construction of the Convention Center (now

Scope) and the Chrysler Theatre triggered several developments, among them the Holiday Inn (now Quality Inn-Town Point) on Tidewater Drive and Virginia Beach Boulevard, and a 260-room expansion of the 361-room Golden Triangle (now Holiday Inn-Waterside Area) across from Scope.

Downtown redevelopment provided the City an opportunity to relocate its central library to more convenient and spacious facilities at City Hall Avenue and Bank Street. The \$2,700,000 building was built with City of Norfolk and contributed funds. Civic leadership on the Public Library Board made it possible for private funds to be raised, as well as providing the impetus for an expansion program resulting in the location of branch libraries at various strategic locations around the City.

The MacArthur Memorial likewise exists because of Downtown redevelopment and civic leadership. Through redevelopment, the area around the Memorial was cleared of blighted buildings in order to provide an environment that enhanced the setting of the historical structure. Civic leadership made it possible to preserve the building and take advantage of an opportunity that would later result in many tourists visiting the Memorial. Although General Douglas MacArthur was born in Arkansas, he selected Norfolk because his mother was born and reared in Norfolk. She had lived on East Main Street in the Berkley neighborhood of Norfolk. The Memorial occupied the old Norfolk Court House that was built as a City Hall in 1847. The

offices of the courts were moved to the new Civic Center at the time the new City Hall was built.

Downtown Norfolk had emerged in a new form by 1969 from what existed in 1951. By then street patterns had been established, older buildings restored, blight removed, and new buildings constructed. It was the year that a change in leadership occurred at the Norfolk Redevelopment and Housing Authority. Executive Director Lawrence M. Cox resigned to become Assistant Secretary for Housing and Renewal Assistance with the United States Department of Housing and Urban Development, a post he held for about two years. Chairman Charles L. Kaufman, a member of the Authority for 29 years and Chairman for all but two years of that time, stated he would not accept reappointment as Commissioner.

The year 1969 was a year of transition. Recognizing this, the Commissioners acknowledged that "(t)here is a clear and present need for a comprehensive review of our Downtown Redevelopment Projects."¹⁷⁶ As had been the custom since 1935, the City Council and Commissioners of the Authority considered comprehensive planning a necessity in shaping and reshaping the City. By 1969 it was time for another Downtown plan.

The concentric-zone pattern of land development was not allowed to continue in the 1960s. The multiple-nuclei concept was beginning to take shape. Housing, office buildings, a shopping center, public buildings, and medi-

cal facilities developed interrelationships. There was some evidence of a growing interdependence among land uses as banks located in close physical proximity. The clustering tendency had begun because of planning and economic considerations.

Advanced medical services on the western edge of the CBD were following the central place theory suggested by Raymond Murphy. In time, the medical office building housing 100 doctors and Norfolk General Hospital were to become the primary center for another nucleus, the Eastern Virginia Medical School. The Medical School achieved international recognition with such facilities as the Jones Institute for Reproductive Medicine and the International Institute for Plastic and Reconstructive Surgery. As predicted under the central place theory, there would be a clustering of land uses around the center, such as housing, office buildings and public buildings. The growth and development of the Medical Center on Downtown's perimeter would never have happened without the extensive clearance and reprogramming brought about through redevelopment. The several thousand employees occupying highly important jobs would have been lost to Norfolk's economy.

Downtown Redevelopment, 1969 - 1977. On July 7, 1969, Jack H. Shiver became Executive Director of the Norfolk Redevelopment and Housing Authority.¹⁷⁷ On August 11, 1969, former Mayor Pretlow Darden was elected Chairman of the Authority's Board of Commissioners, succeeding Kaufman.¹⁷⁸ Darden was first appointed to the Board on October 3, 1950. For the next eight years, 1969-77, the Authority directed its efforts toward housing, redevelopment and conservation programs across the city, including downtown. Just prior to this period, the climate of "slum clearance and redevelopment" had begun to shift to housing-oriented projects. Rehabilitation and housing for low and moderate-income groups had become the announced goals of the Federal Government and the Norfolk Redevelopment and Housing Authority. Concentration increased on residential neighborhoods, although the emphasis on downtown development remained strong.

Changes occurred in the Federal program during the 1970s. The General Revenue Sharing Program was first introduced into the City of Norfolk's budget in Fiscal Year 1973-74.¹⁷⁹ The Community Development Block Grant Program replaced categorical urban development in 1974 that had been enacted over the previous 25 years.¹⁸⁰ Federal funding for urban development programs started on a decline. In Fiscal Year 1975, the entitlement for Norfolk was \$17.8 million. By the end of the Fiscal Year 1977, the entitlement declined to \$15.9 million, with

prospects of Norfolk's receiving a declining amount for the ensuing six years. Projections under Title I of the Housing and Community Development Act of 1974, Public Law 93-383, placed Norfolk's level of funding at \$5.9 million by the end of Fiscal Year 1980.¹⁸¹

Not only did the eight-year period witness a decline in Federal funding for urban redevelopment, but the period was to experience President Nixon's use of impoundment to eliminate or reduce housing and community development programs he disliked. It was not until Congress passed Title 10 of the Congressional Budget and Impoundment Control Act of 1974 that some compromises were reached. Yet the Impoundment Control Act continued to be disregarded by Presidents Nixon and Ford, with President Ford using rescissions and deferrals in a routine manner until 1976.¹⁸²

During the 1970s, General Revenue Sharing dollars benefited the City of Norfolk with its operating and capital expenditures. For example, Revenue Sharing helped "to modernize the badly outdated fleet of city vehicles and to permit catch-up maintenance in antiquated recreation facilities."¹⁸³ By 1983, the City Manager had greatly reduced the support for the Operating Budget from Revenue Sharing Fund monies.¹⁸⁴

The significance of reviewing these facts about the expenditure of Revenue Sharing funds is to note that only a nominal amount of funds were devoted to Downtown

redevelopment. Through Fiscal Year 1982, the total program for the City of Norfolk amounted to \$88,666.457.¹⁸⁵ Of that amount, \$6,504,000 had been expended on Downtown Norfolk, or about seven percent.¹⁸⁶

Despite the decline in Federal funding, revitalization activities in Downtown Norfolk and other areas of the City continued. In January, 1970, plans were announced for a 400-car downtown garage in the 100 block of West Main Street.¹⁸⁷ The United Virginia Bank building at Main Plaza East was dedicated in April, 1970.¹⁸⁸ Predictions were being made in the mid-70s that Downtown Norfolk would become a retail shopping center for convenience goods while big ticket buying would be in shopping centers.¹⁸⁹

As 1971 began, plans were unveiled for a new Downtown plan to save Freemason Street homes from being severed by Waterfront Drive.¹⁹⁰ The 1956 Master Plan for Norfolk's Central Business District had called for a 100-foot wide loop freeway that would begin at Botetourt and York Streets and intercept Boush at Tazewell Street.¹⁹¹ The new plan placed emphasis on pedestrians. It anticipated extensive office and commercial development south of Scope, new residential communities along the waterfront, and the preservation of historic areas landscaped in malls.¹⁹²

Before 1971 ended, announcements were made that were to stimulate further growth and development in Downtown. The City Council approved a \$7 million appropriation for a

Scope parking garage.¹⁹³ Funds were approved for the widening of Monticello Avenue.¹⁹⁴ The Federal Government approved a \$907,515 grant for the construction of a pedestrian walkway and new streets between McArthur Memorial and the waterfront.¹⁹⁵ A new six-lane Waterfront Drive (later named Waterside Drive) was opened between Boush Street and St. Paul's Boulevard.¹⁹⁶

As the mid-70s approached, other construction took place in Downtown Norfolk to accelerate revitalization. The ICC unveiled plans in 1974 for a \$9 million, 10-story office building next to the Virginia National Bank (now Sovran).¹⁹⁷ The City Council and Board of Commissioners of the Norfolk Redevelopment and Housing Authority considered plans for the redevelopment of the western sector of Downtown Norfolk.¹⁹⁸ Plans for a \$14.6 million Federal building were announced in 1974.¹⁹⁹ The Omni International Hotel opened in January, 1976, with high hopes for attracting more conventions and tourists to Norfolk.²⁰⁰ Granby Mall opened in April, 1976 with predictions that the Mall may be turning the tide as people returned to Downtown.²⁰¹ By August, 1977, a new framework for Downtown Norfolk was emerging. The rejuvenation of Norfolk received another boost as clearance began in August, 1977, in the Downtown West Redevelopment Project.²⁰²

While actions were occurring within the CBD during the 1970s to stimulate social and economic revitalization,

other activities in areas outside the CBD were beginning to impact favorably on Downtown. The East Ghent Redevelopment Project began and the first site was cleared in February, 1970.²⁰³ Walter Chrysler announced that he was willing to transfer to Norfolk from Provincetown an art collection valued at more than \$60 million.²⁰⁴

Although a complete listing of the Board of Commissioners of the Norfolk Redevelopment and Housing Authority from 1940 to 1985 appears in the Appendix C, it is important to mention the changes in the composition of the Board, as well as the City's Administration, that occurred during 1969 and the early 1970s. As noted, Kaufman had resigned in July, 1969 as member and Chairman of the Board. Darden was to serve as Chairman from August 11, 1969 until July 30, 1971.²⁰⁵ Robert R. MacMillan began his service with the Authority on July 31, 1969 succeeding Kaufman.²⁰⁶ MacMillan was elected Vice-Chairman of the Authority on June 1, 1970 and served as its Chairman from August 16, 1971 until September 25, 1973.²⁰⁷

Another resignation of importance was that of James E. Etheridge. Etheridge was appointed to the Board of Commissioners on September 5, 1940.²⁰⁸ He replaced George H. Lewis, one of the Authority's charter members who resigned to be the Authority's first Executive Director.²⁰⁹ Etheridge served as Vice-Chairman from October 1, 1942 until his resignation of April 21, 1970.²¹⁰ At the time of his resignation, Etheridge had

served on the Board longer than any other Commissioner. He exceeded Kaufman by six months.²¹¹

Julian Rashkind was named to replace Etheridge on on April 21, 1970.²¹² He was a native of New York and graduate of Columbia University. Rashkind had been involved in residential development in the Hampton Roads area for many years and joined the Board at a time when residential development was of major importance to the City of Norfolk. Rashkind served as Vice-Chairman of the Authority from August 16, 1971 until September 25, 1973, at which time he was elected Chairman.²¹³

Patricia T. Rixey and Alfred E. Abiouness were named to the Board of Commissioners following the resignations of Darden and Roper.²¹⁴ Rixey served from July 31, 1969 until June 30, 1975.²¹⁵ Abiouness was appointed June 22, 1971. Rixey resigned because she removed her residence from the City of Norfolk. She was commended for her service, "particularly those social programs affecting the welfare of the occupants of the various housing projects."²¹⁶

Evelyn T. Butts was appointed a Commissioner of the Authority on July 15, 1975.²¹⁶ She had been a local Civil Rights leader and member of the Citizens Advisory Committee. She was remembered for her 1966 Supreme Court win declaring the Virginia Poll Tax unconstitutional. She was the second minority member of the Commission.²¹⁷ The editorial commenting on City Council's endorsement of

Evelyn Butts noted, "Butts is considered very capable of relating to the housing needs of a large segment of Norfolk's population."²¹⁸

Reid Spencer was named to serve as Commissioner on August 21, 1973.²¹⁹ Attorney Spencer was one of two nominated for the seat and ran in the Democratic Primary for the State Senate in 1959.

Also a change of significance during the 1970s was the appointment of G. Robert House as City Manager of Norfolk.²²⁰ House, who was City Manager in Chesapeake succeeded Thomas F. Maxwell, who submitted his resignation on September 22, 1970 for personal reasons.

Hence, during the period from 1969 to 1977, the Authority experienced considerable change. The "slum clearance and redevelopment" emphasis changed to housing development, with emphasis added to social programs. The turnover in Commissioners during the 1960s and 1970s was to have a major influence on the Authority's direction for the ensuing decade.

Commenting on the period of 1969-1977, A Virginian-Pilot editorial called the period "The Shiver Years". The editorial said:

Norfolk Redevelopment and Housing Authority (NRHA) bulldozers have largely run out of targets during the eight years of Jack H. Shiver's leadership of the agency. New housing and new commercial buildings meanwhile have been appearing at a rapid rate on acreage that the bulldozers cleared of structures sound and unsound, mainly the latter.

The shift in emphasis from demoliton to rebuilding was envisioned by those who set slum-clearance machinery in motion in Norfolk during the Forties and sped it up and extended its reach in the years immediately following World War II. Lawrence M. Cox directed the agency during its most active preparing of ground for renewal of a city sapped of vitality and prospects by downtown neighborhoods plagued by poverty, disease and crime. But reconstruction also began during the Cox years, when the Civic Center, a financial district, Scope, and new apartment houses and light industrial buildings emerged from downtown's rubble.

Mr. Shiver has carried on the work. As he readies for departure from NRHA for a job in a private firm, construction of town houses projected for the West Freemason Street area is scheduled to start within weeks. The houses will constitute the first step in a planned multi-million-dollar residential/commercial development along the Elizabeth River waterfront that promises to revive the downtown business district's fortunes.

New houses have been rising at a brisk pace in Ghent Square and are being snapped up as quickly as they come on the market, despite their above-average cost. The urban landscape around Norfolk State College has been transformed by new housing and shopping facilities. Some of the new dwellings there and elsewhere are for the elderly, for whom Mr. Shiver has exhibited special concern.

NRHA's primary mission is to rid Norfolk of slums and blight and to provide low-cost housing for low-income families. Some 20,000 persons live in public housing units built and managed by NRHA. In recent years, some houses have been built under arrangements that will permit low and moderate-income families to acquire them.

The Shiver years coincided in part with the Nixon-Ford years, when Washington's support of urban renewal programs waned. Mr. Shiver was a forceful critic of the turn away from the cities. Both as NRHA director and president of the National Association of Redevelopment and Housing Authorities officials, he championed the cities' cause, pleading for continuing strong aid to arrest urban deterioration. The Carter Administration is exhibiting sympathy for the cities' plight just as Mr. Shiver is leaving public service.²²¹

Similarly, Frank Callahan, columnist for the Ledger-Star, praised Mr. Shiver as an "urban surgeon". He said:

Mr. Shiver has been a strong director. Like Mr. Cox, his reputation extends well beyond Tidewater's bound But through the eight years, Mr. Shiver has shown a keen knowledge of his goals and though, in sum, the surgery on the inner city face may not have been as extensive as in the earlier years, urban sores have been removed and scars are fading.²²²

Downtown Redevelopment, 1977 - 1985. On November 30, 1977, David H. Rice was named Executive Director of the Norfolk Redevelopment and Housing Authority.²²³ The Commissioners at the time of Rice's appointment were: Chairman, Julian Rashkind; Vice-Chairman, Franklin W. Thornton; Alfred E. Abiouness, Reid M. Spencer and Evelyn T. Butts. The transition in Executive Directors was reported in the news media as a "smooth change" and "wise decision."²²⁴

Activities that had begun during earlier NRHA administrations in Downtown Norfolk continued as 1977 ended. The development of the area along the CBD's west waterfront (later named Freemason Harbour) got underway. The waterfront development was termed a "milestone" by Mayor Vincent Thomas at a groundbreaking held on December 8, 1977.²²⁵ An editorial called the area "Downtown Norfolk's New Town."²²⁶ Contracts were awarded during December, 1977, for cobblestone street improvements in the adjoining Freemason Historic District.²²⁷ The plans for the waterfront area development were considered realistic and feasible for attainment.

While the Authority's efforts to eliminate slums were widely dispersed across the City, emphasis was directed in 1978 to continue with the development of Downtown Norfolk and the eradication of slums in the approach zone to Downtown Norfolk from the east along the Princess Anne Road and Virginia Beach Boulevard corridors. Although a Huntersville Redevelopment Project had begun in 1971 and had eliminated blight, slums remained in the Huntersville Area. An editorial called the Huntersville area "the last slum."²²⁸

During 1978, Downtown Norfolk received attention in the headlines as a place to be. Editorials commented on Downtown Norfolk's comeback.²²⁹ Emphasis was given to entertainment, conventions and tourism. Norfolk's Harbourfest drew 140,000 people downtown as public efforts pushed for festival events to revitalize social interaction.²³⁰ The goal of creating open space for the enjoyment of Norfolk residents received encouragement in 1978 as the result of Federal demonstration grants for waterfront parks in Downtown.²³¹ The convention business was growing.²³²

Major redevelopment efforts continued in 1978, with attention being increasingly given to residential redevelopment. Although the commercial revitalization program represented the largest dollar investment, public officials felt that the City of Norfolk should commit itself to residential development. Mayor Vincent Thomas

spoke out on the need to lure back to the City middle and upper-income families.²³³ Despite the widespread concern for attracting families to Downtown, little headway had been made by November, 1978. While some were proclaiming Freeman Harbour a success, others were more skeptical. For example, Dr. Wolfgang Pindur, then Associate Professor and Assistant Director of Old Dominion University's Institute of Urban Studies and Public Administration, said there was a long way to go in efforts to revitalize and attract the middle class back to Downtown Norfolk.²³⁴ Emphasis continued, however, to make Downtown Norfolk attractive to people.²³⁵

Private and public efforts were made in 1979 and subsequent years to revitalize Granby Mall. Out-of-town consultants were hired in an effort to help redesign storefronts along the Mall.²³⁶ Attempts were made to develop a farmer's market Downtown.²³⁷ The Union Mission became a target as merchants sought to improve the social environment in Downtown.²³⁸ Limited private investment occurred in 1979 to revitalize Downtown despite strong public actions that sought to attract people Downtown through employment and public events. The public actions included approval by NRHA for the expenditure of \$118,000 for a feasibility study that might lead eventually to a Jacques Cousteau educational and research center along Downtown's Waterfront.²³⁹ The opening of the Federal Building at Granby Mall and City Hall Avenue added employees.²⁴⁰

While 1979 saw the continuation of public investment to encourage private investment in commercial buildings, the year marked added emphasis on bringing people to Downtown through other means. The first international In-the-Water Boat Show was held.²⁴¹ The Wells Theatre was revived.²⁴² The Norfolk Redevelopment and Housing Authority approved spending \$315,000 for the lease and renovation of the Wells Theatre.²⁴³ Efforts started on converting the Norva Theatre to a spa. Two-hour free parking was provided to lure shoppers to Downtown. The year 1979 was on its way to a record convention year.²⁴⁴

Another economic generator made its presence felt in 1979. This was the growing impact of tax-exempt bond issues.²⁴⁵ (A list of the tax-exempt bond issues from 1977 to 1985 is included in Appendix D). Prior to 1979, one commercial bond issue was sold to finance development in Downtown. During 1979, a total of ten issues were sold. Among the bonds issued in 1979 that stimulated further development in later years, were those sold for office and retail use along Granby Mall and the Monticello Arcade. From 1977 to 1985, a total private investment of \$35,612,336 was made in Downtown Norfolk through tax-exempt financing. The private investment was made primarily in commercial structures within the Downtown West Conservation District.²⁴⁶

As the decade of the 1980s began, Norfolk city officials were expressing optimism about the future

course of Norfolk.²⁴⁷ Hope was resurfacing for downtown hotels.²⁴⁸ Plans were announced for a \$3.5 million rehabilitation of the Commodore Maury Hotel (later renamed Hotel Madison).²⁴⁹ The Virginia Stage Company celebrated its opening night in the Wells Theatre.²⁵⁰ The theatre was declared an historic landmark.²⁵¹ The appearance and visual spirit of downtown became of increasing importance.²⁵² The news media wrote of "(a) new dawn for Downtown Norfolk."²⁵³ Writers said Norfolk "has a new look, a fresh spirit."²⁵⁴ The new look and fresh spirit were noticed at the Monticello Arcade which was being rejuvenated.²⁵⁵ Norfolk's City Council sought \$17 million for downtown roads.²⁵⁶ According to a Chamber of Commerce Report, Downtown was the most promising sign of economic revival in Norfolk.²⁵⁷

The Downtown festival marketplace became an issue in 1981. The controversy was whether the City of Norfolk should take the risk of spending public funds to finance a waterfront marketplace.²⁵⁸ Authority Commissioner Reid Spencer criticized a proposed \$13.5 million downtown waterfront as a threat to other city projects.²⁵⁹ In an editorial in the Virginian-Pilot about the marketplace, the editor expressed strong support for the development by noting that "the city stands on the verge of a development that could cap the making of its downtown dream."²⁶⁰ The marketplace opened on June 1, 1983.²⁶¹ It was apparent during its first few days of operation that it had spurred further hopes for downtown revitalization.²⁶²

Commissioner Reid Spencer received the endorsement of the Norfolk-Portsmouth Bar Association for a General District Court judgeship which became open on July 1, 1983.²⁶³ Spencer was appointed by the Circuit Court judges as interim General District Court judge and sworn in on July 1, 1983. Although Spencer's term of office as Commissioner did not expire until December 6, 1983, he did not participate as a voting member of the Board of Commissioners after July 1, 1983.

Corbin B. White was named in November, 1983 to fill the unexpired term of Reid Spencer.²⁶⁴ White's term began on December 7, 1983. His first meeting as a Commissioner was on December 19, 1983. White had retired in 1978 as director of Atlantic Permanent Federal Savings & Loan Association. He was formerly president of C. B. White & Bro., Inc., a home heating fuel company.²⁶⁵

The 1980s witnessed the release of new plans for the redevelopment of Downtown Norfolk. In an effort to coordinate the public and private planning efforts that had been done in Downtown Norfolk over the years, the Downtown Plan Study Team had been created in the late summer of 1978.²⁶⁶ The objectives of the group had been "to assess the development opportunities in Downtown Norfolk and to recommend an overall plan and implementation program."²⁶⁷ The results of the study were published and a new detailed General Development Plan for revitalizing Downtown Norfolk was accepted.²⁶⁸ A companion piece was also prepared by

the firm of Wallace, Roberts and Todd of Philadelphia, Pennsylvania. The companion document was to serve as a guiding framework for future development interests.²⁶⁹

As the result of close cooperation between the City of Norfolk and the Norfolk Redevelopment and Housing Authority at the policy and staff levels, physical development moved rapidly in Downtown Norfolk during the 1980s. The Selden Arcade became a high-grade retail center.²⁷⁰ A \$19 million World Trade Center was put under construction near Downtown's waterfront.²⁷¹ There was substantial new construction and rehabilitation of older structures. Downtown Norfolk had ushered in a new skyline with the completion of The Waterside festival marketplace, the Virginia World Trade Center, the renovation of Boush Cold Storage to condominiums, and the new Town Point Park.²⁷²

As the development of Downtown Norfolk reaches its potential in the 1980s and 1990s, Downtown Norfolk will undoubtedly continue to be a high growth area for hotels, housing, corporate headquarters, entertainment, recreation, offices, and other uses. It will be a center that attracts not only residents of the Hampton Roads area, but from all parts of the country. Although Norfolk's Downtown environment is not expected to reach a point of diminishing social and economic returns in the next two decades, the Norfolk Redevelopment and Housing Authority and the City of Norfolk continue to plan carefully for the growth.

The experience of San Francisco; Anne Arundel County, Maryland; and Florida, can serve as illustrations of the importance of the variety of incentives, restraints and negotiating tools that comprise the new generation of growth management activity.²⁷³ Just as San Francisco has enacted ordinances setting annual ceilings on new office construction and requiring developers to pay impact fees to support public services, Norfolk could find itself in that position if growth is not managed properly.

But if past performance is an indicator of what can be expected, growth in Downtown Norfolk will be managed properly. The Norfolk Redevelopment and Housing Authority has deliberately held land in public ownership in the R-8 sector of Downtown Norfolk. Although the Authority has been criticized for the "land banking" practice, it has maintained that the land should be developed to its highest and best use, consistent with sound community planning principles. The Authority has felt that an individual's life span is not necessarily a good measure of time for purposes of development. Support for the Authority's practice of "land banking" is found in a study financed by the National Science Foundation, and published by the American Society of Planning Officials (now the American Planning Association). The study evaluated past research on urban growth management useful to local policymakers and found that an important growth management technique was "holding the land for timely and appropriate use by the public or private sector."²⁷⁴

The phenomenal development that is explained by central place theory and accelerated by the incentives of public investment in Downtown Norfolk has solved many problems. How to manage rapid Downtown development in the future as not to undermine the benefits of social and economic growth is the challenge. It is a challenge the leadership of the 1980s understands. Among the leadership is a longtime advocate of sound physical planning and an individual who has been given credit for much of Downtown Norfolk's recent revitalization, Mason C. Andrews, M.D. Dr. Andrews is a former Norfolk Vice-Mayor, City Planning Commissioner, and in the 1980s was serving as a Norfolk City Councilman and the most vocal spokesman of the Mayor's Ad Hoc Committee on Downtown Development. In a proposal for a unifying theme and design guidelines for Downtown Norfolk, Dr. Andrews wrote:

The extent of replacement and new construction of public spaces, private construction on publicly owned land, and private construction which is publicly assisted or otherwise influenceable creates an opportunity and a responsibility to devise mechanisms to conduce the most attractive result. If all new influenceable improvements in the Downtown Area have the benefit of agreed upon specific design goals, the result can be dramatically beneficial in terms of human enjoyment and economic value. A unifying theme can reflect the city's culture, historical heritage, its maritime and naval role in the world, its current role as an economic, cultural, professional and entertainment regional center, and its vibrant rebirth as a community which enjoys together its waterfronts and its neighborhoods.²⁷⁵

As the decade of 1980s passed its mid-point, the planning principles of the early 1950s were showing

change. Commenting that the planning principles that are being followed in 1986 are not always the same as those of the early 1950s, NRHA Executive Director David H. Rice identified five concepts that he considered important in the 1980s to Norfolk's Downtown redevelopment. These are:

1. In the 1950s, the private and public sectors were more separated. Planning was more zoning oriented with emphasis on separate land uses. In the 1980s, mixed uses have become more acceptable. Development is done as a joint venture between the private and public sectors. For example, without a joint venture, the Waterside would not have been developed. In the 1950s, city halls and convention centers were located on the perimeter of downtowns. A more enlightened view in the 1980s is that the funds spent on public buildings would have greater social and economic impact if they were combined with private funds. Another example is that public garages now accommodate private retail uses on the ground floor, a concept not practiced in the 1950s.
2. There is a return to the gridiron street pattern of development. The superblock that was fashionable two decades ago is not as practical today. Experience has shown that development must be done more incrementally in response to market forces. It is not always feasible to have large tracts of land developed by a single developer.
3. Public spaces such as parks and promenades are essential to sound development. Although the concept does not contrast historically with urban design of other great cities, Norfolk's experience has shown the relevance of key landmarks. For example, Town Point Park and the waterfront pedestrian system linking the Omni Hotel to the south and the Freemason Harbour area to the north are public spaces that will enhance downtown development in the future. Water frontage held by private developers cannot be enjoyed by the public or provide a framework for future growth and development. Ghent Square is an example of how public parks have been interspersed among housing to create a spirit of urban life that will grow. The parks are likely to remain.

4. Slums and blight are not as prevalent in the 1980s as they were in the 1930s and 1940s because of the police power exercised by localities in recent years through code enforcement programs. For an area to qualify as blighted in 1980 is more difficult than in the 1950s because of the spot clearance effect of code enforcement. The significance of this change is that older cities with well constructed buildings, although functionally obsolete, must find creative ways to preserve the structures.
5. Participatory planning is a practice that must work in the 1980s. The earlier approach of centralized authority has given way to more involvement by many interest groups. Downtown must be made functional to serve many needs within the parameters of wider public control.²⁷⁶

Utilization of Public Programs in the Revitalization of Downtown Norfolk

The major public programs that have been considered in the revitalization of Downtown Norfolk have been the following:

1. Urban Renewal
2. General Revenue Sharing
3. Community Development Block Grant
4. Urban Development Action Grant
5. Tax Exempt Bonds
6. Capital Improvement Program
7. Federal and State Highway Programs

A discussion of the amount of public investment that has been made in Downtown Norfolk since 1958 is described below under six of the above cited programs. Except for the listing of tax exempt bonds in Appendix D showing the amount of investment made in Downtown Norfolk through

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bonds, tax exempt bonds are excluded in the discussion. It is virtually impossible to estimate the public subsidy in tax exempt bonds due to the life of the bonds and the different interest rates. Also excluded from the list of public investments are expenditures for public buildings such as the City Hall, Scope, and the Federal Office Building.

The public investment made in Downtown Norfolk through various Federal and local programs for the period beginning July 1, 1958 and extending through September 30, 1983, totaled \$98,724,498. With the exception of the funds expended by the Virginia Department of Highways and Transportation, the funds expended under the sub-headings are shown in a report from Norfolk's Director of Finance to the City Manager dated February 16, 1984.²⁷⁷ Table 2 summarizes a listing of the types of programs and the amount expended on each. Excluded from this list are investments made from sources such as the Model Cities Program, the Neighborhood Development Program, the Economic Development Administration, the Department of Interior, the Department of Defense, and the Small Business Administration, as well as local revenue bonds.

Table 2

**Public Investment in Downtown Norfolk for Redevelopment
and Conservation Projects
July 1, 1958 - September 30, 1983**

<u>Type of Investment</u>	<u>Amount</u>
Conventional Urban Renewal (Federal)	\$40,877,628
General Revenue Sharing (Federal)	6,504,000
Community Development Block Grant (Federal)	23,833,021
Urban Development Action Grant (Federal)	-0-
Capital Improvement Program (Local)	21,259,567
Federal and State Highway Programs	<u>6,250,282</u>
Total	\$98,724,498

Urban Renewal, 1958-1983. A summary of redevelopment expenditures made under the Urban Renewal Program is shown in Table 3. It is noted that a total of \$40,877,628 in Federal dollars was spent during the period from July 1, 1958 through September 30, 1983 under the Urban Renewal Program in Downtown Norfolk. Not included in this total are the local grants-in-aid consisting of cash payments, land donations, and credits for project improvements.

Table 3

**Public Investment in Downtown Norfolk Through
Urban Renewal Program, 1958-1983**

<u>Name of Project</u>	<u>Amount</u>
Downtown North (R-8)	\$17,347,622
Downtown South (R-9)	20,587,445
Downtown East (R-18)	<u>2,942,561</u>
Total	\$40,877,628

General Revenue Sharing, 1974-1983. A total of \$6,504,000 was spent in Downtown Norfolk through General Revenue Sharing (GRS) for the period between July 1, 1974 and September 30, 1983. Although the original Revenue Sharing legislation authorized payment to state and local governments beginning January 1, 1972, funds were not expended by the City of Norfolk for Downtown development until July, 1974.²⁷⁸

Community Development Block Grant, 1974-1983. The Community Development Block Grant Program (CDBG) financed \$23,833,021 in improvements in Downtown Norfolk as seen in Table 4. The Downtown improvements through September 30, 1983 were made solely in the Downtown West Redevelopment and Conservation Project.

Table 4

Public Investment in Downtown Norfolk through
Community Development Block Grant
April 1973 - September 30, 1983

<u>Name of Project</u>	<u>Amount</u>
Downtown North (R-8)	\$ -0-
Downtown South (R-9)	-0-
Downtown East (R-18)	-0-
Downtown West Redevelopment and Conservation Project	<u>23,833,021</u>
Total	\$23,833,021

Urban Development Action Grant, 1977-1985. Table 5 shows that under the Urban Development Action Grant Program (UDAG), a total of \$ 5,950,000 in UDAGs had been approved by the Department of Housing and Urban Development, but no

project was funded. An application in the amount of \$400,000 was approved and funded for Jonathan Corporation, a shipyard at 701 Front Street, just outside the CBD.

Table 5

Public Investment in Downtown Norfolk through
Urban Development Action Grant Program, 1977-1985

<u>Description of Application</u>	<u>Amount Approved</u> (By HUD)	<u>Amount Funded</u>
Church Street/Huntersville II Development Corporation for Regional Post Office	\$2,700,000	-0-
Oliver T. Carr development in Freemason Harbour for public improvements in conjunction with development of housing	1,200,000	-0-
Hotel Madison for parking garage	450,000	-0-
World Trade Center for parking garage	1,600,000	-0-
	<hr/>	<hr/>
TOTAL	\$5,950,000	-0-

Capital Improvement Program, 1970-1983. A large public investment that has been made in the Central Business District has been made through the City's local Capital Improvement Program. Public investment made in Downtown Norfolk through the Capital Improvement Program for the period beginning in July 1, 1970 and extending through September 30, 1983, totaled \$21,259,567. This investment was undertaken primarily to stimulate private development. Table 6 shows a listing of the expenditures.

Table 6

Public Investment In Downtown Norfolk Through
Capital Improvement Program
(Undertaken primarily to stimulate Downtown Revitalization)
July 1, 1970 - September 30, 1983

<u>Project</u>	<u>Amount</u>
World Trade Center Garage	\$ 6,183,564
World Trade Center (Infrastructure Improvements)	182,572
Town Point Park & Marina Waterfront Edge	1,600,000
Town Point Park	1,220,000
South Waterfront - Edge & Landscaping	2,430,300
South Waterfront - Site Consolidation	1,831,000
Harborfest Type Improvements	250,000
Construction of St. Paul's Boulevard	495,213
Parking Structure - Monticello Avenue	6,989,433
Street Lighting of St. Paul's Bouelvard	77,485
Total	\$21,259,567

Source: City of Norfolk, Virginia, Development (Capital Improvement Type) Projects as of September 30, 1983, February 1984, pp. 8-13.

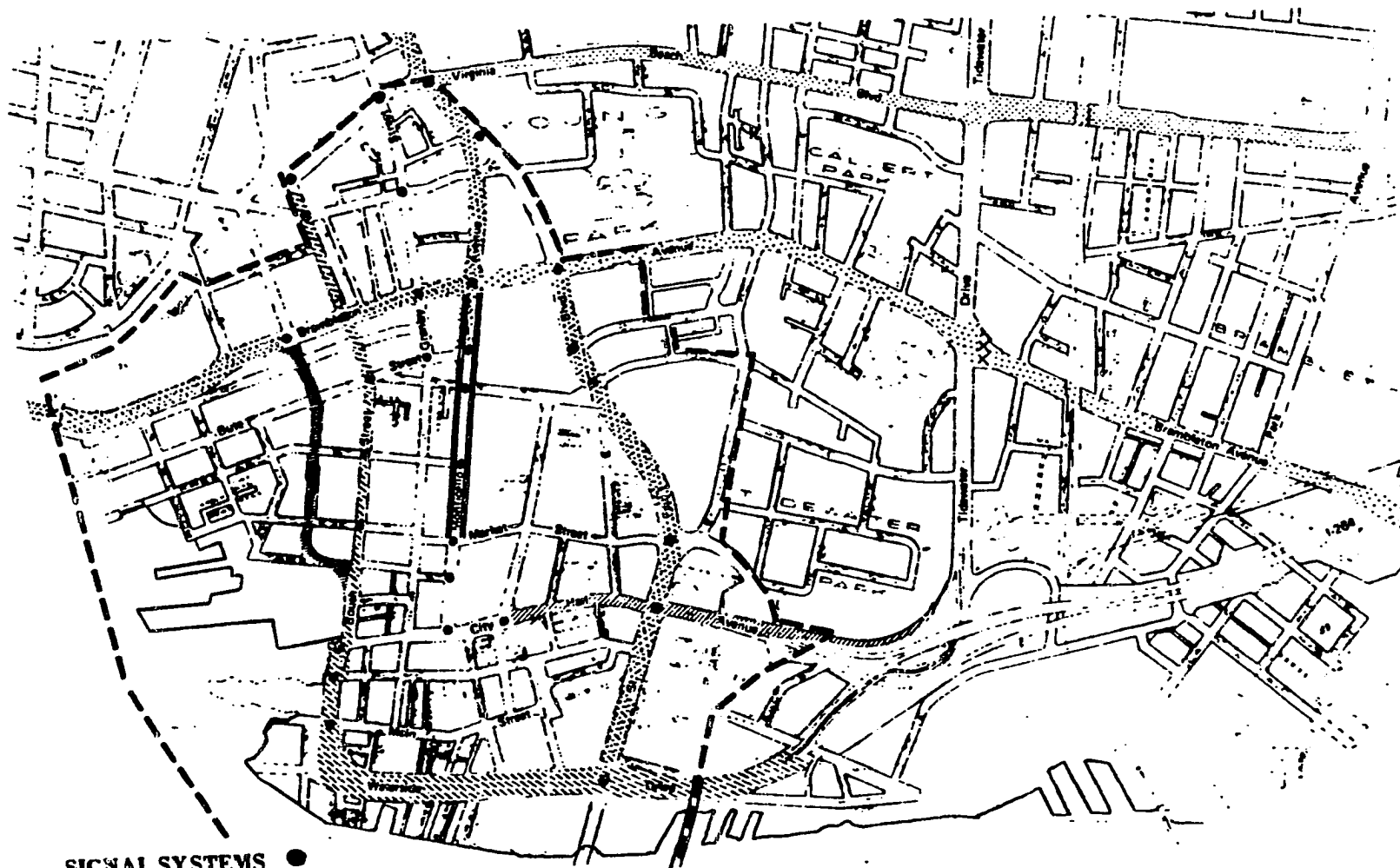
Federal and State Highway Programs, 1951-1973. Public outlays by the Federal government and the Commonwealth of Virginia represent a significant contribution to the revitalization of Downtown Norfolk. Table 7 shows that over \$6 million in these outlays were spent on projects in the CBD since 1958.²⁷⁹ Of these projects, Waterside Drive (formerly Waterfront Drive) represented the major development cost in the Central Business District. Built in the area near the Elizabeth River, the \$3.2 million Waterside Drive has contributed to new hotel, office and park development. The festival market place "The Waterside" was made possible because of the access provided by Waterside Drive. The street improvements made in Downtown through State and Federal public outlays are shown on Figure 7.

Table 7

PUBLIC OUTLAYS FOR STREETS AND SIGNAL SYSTEMS IN DOWNTOWN NORFOLK AND VICINITY FINANCED
THROUGH VIRGINIA DEPARTMENT OF HIGHWAYS AND TRANSPORTATION 1951-1973

<u>YEAR</u>	<u>PROJECT DESCRIPTION</u>	<u>TOTAL COST</u>	<u>NORFOLK'S SHARE</u>		<u>VIRGINIA'S</u>	<u>SHARE</u>
			<u>AMOUNT</u>	<u>\$</u>	<u>AMOUNT</u>	<u>IN CBD (%)</u>
1951	City Hall Avenue from Bank Street to Holt Street	n.a.	n.a.	50	n.a.	n.a.
1953	Monticello Avenue from Bute Street to 14th Street	\$ 281,664	\$ 70,411	25	\$ 211,253	\$ 147,877 (70)
1954	Brambleton Avenue from Canpostella Bridge to Monticello Avenue	674,189	\$174,169	25.8	\$ 500,020	\$ 75,003 (15)
1954	Brambleton Avenue Underpass at Norfolk & Western Railroad	\$ 2,000,000 (est.)	n.a.	n.a.	n.a.	\$ n.a. (n.a.)
1960	Virginia Beach Boulevard from Granby Street to Park Avenue	\$ 1,659,346	\$376,093	22	\$1,283,253	\$ 64,163 (5)
1962	Brambleton Avenue from Monticello Avenue to the intersection of Hampton Boulevard and 21st Street	\$ 2,113,600	\$548,600	26	\$1,565,000	\$ 391,250 (25)
1963	St. Paul's Boulevard from Water Street to Brambleton Avenue	\$ 947,022	\$301,757	32	\$ 654,265	\$ 654,265 (100)
1970	Waterfront Drive from a point .1 mile south of Main and Boush Streets to a point .2 mile east of Main Street	\$ 3,714,582	\$557,187	15	\$3,157,395	\$3,157,395 (100)
1971	Monticello Avenue from Market Street to Brambleton Avenue	\$ 398,788	\$ 59,818	15	\$ 388,970	\$ 388,970 (100)
1971	Duke Street from the intersection of Boush and Tazewell Streets to Brambleton Avenue	\$ 302,883	\$ 45,432	15	\$ 257,451	\$ 257,451 (100)
1973	CBD Signal Systems	\$ 2,177,844 \$12,156,358	\$326,683 \$1,911,550	15 20	\$1,851,201 \$8,244,808	\$1,851,201 (100) \$6,987,575 (85)

SOURCE: William S. Tucker, Urban Programs Engineer, Virginia Department of Highways and Transportation, 11 October 1985 and 26 November 1985



SIGNAL SYSTEMS ●
CENSUS TRACT 49 - - -

Public Outlays for Streets And Signal Systems in Downtown Norfolk and Vicinity Financed Through the Virginia
Department of Highways and Transportation 1951 - 1973

Figure 7

Not included in Table 7 is the expenditure of more than \$23 million spent during the period 1950-1952 for the Norfolk-Portsmouth Bridge Tunnel which contributed to the revitalization of Downtown. Commenting on the effect of the "new Berkley Bridge" that represented \$7.4 of the \$23 million Norfolk-Portsmouth connection, the author said at the time of the Bridge Tunnel's opening that:

An important improvement brought about with the construction of the bridge was the slum clearance project on East City Hall Avenue and Chapel Street in Norfolk. The clearing of the approaches to the bridge and the widening of the streets have beautified a section of Norfolk which has gone virtually untouched since Revolutionary days.²⁸⁰

It is difficult to identify the amount of public investment that was made in the Bridge Tunnel that stimulated development in Downtown Norfolk. The entrance to the Berkley Bridge caused the immediate impact in Downtown through the clearance of slums at the approach, however, it is impossible to separate the costs. In addition, a cost was involved in tearing down the old Berkley Bridge across the Elizabeth River which had been completed in 1918. Hence, the separation of costs becomes fuzzy.

That the Bridge Tunnel would impact on retail sales was a concern expressed at the time. It was felt by the merchants in Downtown Portsmouth that the Bridge Tunnel would have a negative effect on their business. Opponents felt the Portsmouth merchants would lose some customers if it was made too easy for them to go to Norfolk where a wider selection of merchandise could be found.²⁸¹

Impact of Public Investment in Downtown Norfolk
On Urban Revitalization

This section of the study looks at the change that has occurred in Downtown Norfolk in relationship to the City of Norfolk and surrounding Metropolitan area over an extended period time. In examining the change, outcome measures have been used which are considered to be the most reliable and valid in measuring the revitalization of downtowns. The outcome measures selected are as follows:

Physical

Design and Land Use
Access and Circulation
Parking

Demographic

Population
Housing
Income
Employment

Economic

Retail Sales
Office Building Activity
Conventions, Tourism and Entertainment
Banking Activity
Assessed Valuation
Tax Revenues

In order to analyze and evaluate those factors that have had the greatest impact on the revitalization of Norfolk's Central Business District, it is important to first examine the impact of public investment on the physical development of Downtown. Although quantitative data in other sections of this study tell of the physical improvements, the elements of design and land use, access

and circulation, and parking need further discussion. As these factors relate to physical improvements, they are discussed under this classification.

Physical

Design and Land Use. The appearance and visual spirit of Downtown Norfolk is reflected in its design and land use. A major criterion for the revitalization of Norfolk's Downtown has been its appearance. In the Master Plan of 1956, Consultant Charles Agle observed, "(t)he appearance of the Central Business and Financial District must be good."²⁸² Agle said that "(v)iolent signs mean a desperate need for business and give the impression of declining property values."²⁷⁷

As signs represent a significant part of urban design, the Authority felt that in the exercise of discretion legislatively delegated to it, land should be conveyed subject to covenants. The typical deed specified how the property should be used and the maximum area of a sign. Signs were not to be higher than the roof, eave or parapet line of any building, nor silhouetted against the sky above cornice height. Another covenant related to materials used in construction. Materials were required to be impervious to deterioration in appearance, such as stone, brick, glass, enameled or anodized aluminum, and porcelain enameled steel. Coal could not be used for heating or developing fuel for any other operation on the land.

Indicative of the recognition Norfolk has received for urban design is the honor award the Authority received in 1985. At its Annual Convention in Miami Beach, Florida, in October, 1985, the National Association of Housing and Redevelopment Officials gave the Norfolk Redevelopment and Housing Authority an award for Excellence in Community Development Project Design for its Elizabeth River South Waterfront development.²⁸⁴ The project includes the Waterside, the Waterside Esplanada, the Waterside Marina, Otter Berth, and Town Point Park.

Comparing the conditions before and after Downtown redevelopment, it is apparent that the Authority has been effective in preventing the recurrence of blight and of setting high standards of design and land use. The visual quality of the streetscape in Downtown Norfolk has been enhanced. Street signage and graphics have been improved and expanded for visitor orientation. Zoning district classifications have been established in Downtown to carry out the purposes of the City's General Plan as shown in Figure 8. In general, the visibility of Downtown Norfolk as an attractive area has been achieved.

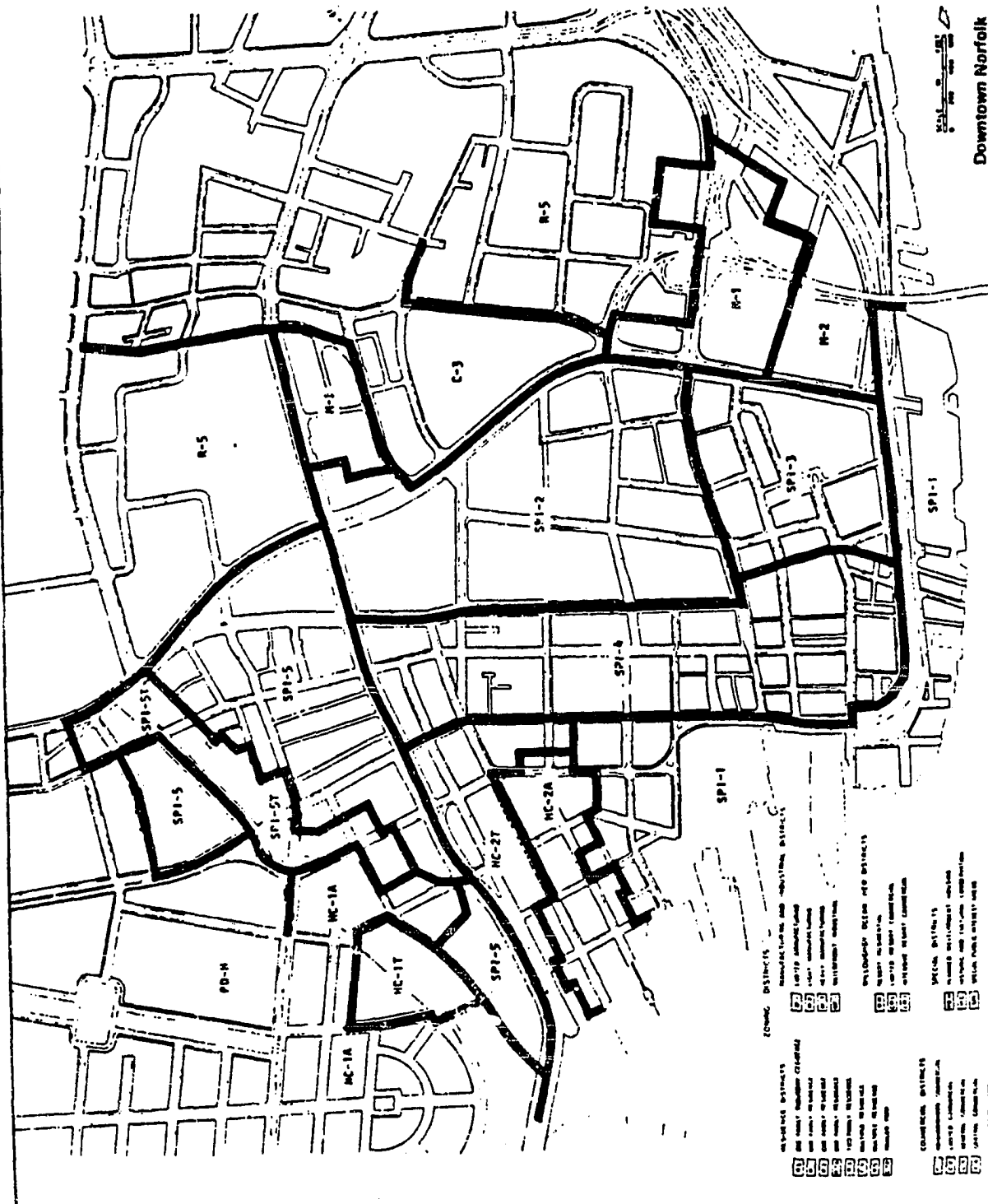


Figure 8. Existing Zoning in Downtown Norfolk

Access and Circulation. Access to Downtown Norfolk has been improved over the 50-year period examined in this study through highway systems that have brought the outlying communities closer to Downtown. For example, the highway network of the Norfolk-Portsmouth Metropolitan area was designed to have "radials join outlying communities with the City Center."²⁸⁵ A conscious effort was made in the design of Interstate Route 264 (I-264) to provide access to local streets in Downtown Norfolk.²⁸⁶ The impact study by the Virginia Department of Highways and Transportation specifically found that:

. . . (i)mproved accessibility is expected to enhance the development potential of the region's urban core and local efforts in revitalizing the area."²⁸⁷

Not only are radials and circumferentials important for traffic movement, but local streets within the CBD distribute traffic and permit access to abutting land uses. The traffic pattern that existed in Downtown Norfolk prior to redevelopment was inadequate. Traffic congestion on narrow streets was aggravated by motorists with destinations other than the CBD itself. There was inadequate parking for automobiles once they reached the CBD. During the 1940s military traffic between Portsmouth and the Norfolk Naval Base added to the problem. By 1985 vehicular access to the CBD had improved. Inadequate streets had been closed and new local streets provided. Figure 9 shows the layout of the streets in Norfolk prior to redevelopment.

CENTRAL BUSINESS DISTRICT
NORFOLK, VA.

1" = approx. 800'

AUGUST, 1921



Figure 9. Streets in Downtown Norfolk Prior to Redevelopment

Although vehicular access and circulation have been the major concerns in the revitalization of Downtown Norfolk, the physical and visual appearance of the pedestrian access corridors within the CBD have received attention. Examples are the waterfront pedestrian promenade that now extends along the southern waterfront and will ultimately extend into Ghent. Improved lighting, enjoyable streetscape amenities and pedestrian separation from automobiles have been important improvements which have served as critical pedestrian linkages to previously constructed and rehabilitated developments.

The construction of I-264, Waterside Drive, Boush Street widening, Virginia Beach Boulevard, Brambleton Avenue, St. Paul's Boulevard, Monticello Avenue, City Hall Avenue and other street widenings and pedestrian improvements have substantially enhanced Downtown Norfolk's revitalization.

Parking. Parking has always been an important consideration in the development of Downtown. It has required the close cooperation and participation by the City of Norfolk in the construction of parking facilities. Without the numerous parking lots and garages within the CBD, effective development could not have occurred in Downtown Norfolk. Although there are different parking needs for housing, commercial and other land uses, revitalization has been successful because of the understanding by the City of Norfolk and the Norfolk Redevelopment and Housing Authority that the different parking needs had to be met.

Parking in Downtown Norfolk has been studied carefully over the years. Data inventories taken in 1979 of all parking lots, garages and other facilities showed that "there is ample long-term and short-term parking within reasonable walking distances in the Norfolk Central Business District."²⁸⁸ In 1985 the City of Norfolk had 4,056 parking spaces in Downtown, with an additional 575 spaces under construction.²⁸⁹ The significance of parking as a major land use and necessity for activities to succeed in Downtown are set forth in considerable detail in a study prepared by Norfolk's Department of City Planning.²⁹⁰

Demographic

In discussing the demographic indicators, information has been presented in some instances for the Hampton Roads Metropolitan Area. Information is presented on the level of population contained within the Norfolk-Virginia Beach-Portsmouth Standard Metropolitan Statistical Area (SMSA) and the Newport News-Hampton SMSA. The vitality of the combined SMSAs is dependent to some extent on Downtown Norfolk. In like manner, Downtown Norfolk depends on the metropolitan area. Factors that relate to Downtown Norfolk are described below.

Population. The Hampton Roads Metropolitan Statistical Area (MSA) in 1984 had a population of 1,261,200. This compares with a population in 1980 of 1,160,051 and represents an increase of 101,149 persons, or 8.7 percent.

The MSA for 1984 includes the Standard Metropolitan Statistical Areas of Norfolk-Virginia Beach-Portsmouth and Newport News-Hampton. Population figures for 1980 for Currituck County have been excluded in order to show more realistic trends in the MSA's change. The population trends for the two SMSAs of the Hampton Roads Region are shown in Table 8.

Both SMSAs within the Hampton Roads Metropolitan Area participated in the region's expansion from 1980 to 1984. The population of the Norfolk-Virginia Beach-Portsmouth SMSA increased from 795,602 in 1980, to 871,400 in 1984, or 9.5 percent over a four-year period. This compares with a population increase of 25,351, or 7.0 percent for the Newport News-Hampton SMSA over the same period.

The population of the City of Norfolk increased during 1980-1984 by 12,721 persons, or by 4.8 percent. This compares with an increase of 46,501 persons, or 17.7 percent for the City of Virginia Beach, and an increase of 11,714 persons, or 10.2 percent for the City of Chesapeake. The population of the City of Suffolk increased at the lowest rate of the four cities, going from 47,621 to 48,800 persons, or by 2.5 percent.

Table 8

**Population Growth in
Hampton Roads Metropolitan Areas, 1960, 1970, 1980 and 1984**

	<u>1960</u>	<u>1970</u>	<u>1980</u>	<u>1984</u>
Norfolk-Virginia Beach- Portsmouth SMSA				
Norfolk	305,872	307,951	266,979	279,700
Portsmouth	114,773	110,963	104,577	100,000
Virginia Beach	85,200	172,106	262,199	308,700
Chesapeake	66,450	89,580	114,486	126,200
Suffolk (a)	<u>44,000</u>	<u>45,024</u>	<u>47,621</u>	<u>48,800</u>
Subtotal (b)	616,245	725,624	795,602	871,400
Newport News-Hampton SMSA				
Newport News	113,662	138,177	144,963	154,600
Hampton	89,250	120,779	122,617	126,000
Balance of SMSA (c)	<u>52,283</u>	<u>74,164</u>	<u>96,929</u>	<u>109,200</u>
Subtotal	<u>255,203</u>	<u>333,140</u>	<u>364,449</u>	<u>389,800</u>
Total Hampton Roads Region	871,448	1,058,764	1,160,051	1,261,200

SOURCE: U.S., Department of Commerce, Bureau of the Census,
Hampton Roads Metropolitan Areas, 26 September 1985.

U.S. Department of Census, Bureau of the Census, Census
of Population, General Social and Economic Characteristics,
Virginia, 1960, 1970, 1980.

Julia W. Martin and Michael A. Spar, "Intercensal
Estimates and Decennial Census Counts for Virginia
Localities, 1970-1980," University of Virginia, the
Colgate Darden Graduate School of Business Administration,
Taylor Murphy Institute, February 1983.

- (a) Nansemond County and Suffolk City were consolidated on
January 1, 1974. Data for Nansemond County are combined
with Suffolk City.
- (b) Data do not include Currituck County, North Carolina,
which was added in 1973 and deleted in 1983.
- (c) Population for "Balance of SMSA" includes cities of
Poquoson and Williamsburg and the counties of
Gloucester, James City and York. York County
(including Poquoson) was added in 1959, and Williamsburg
City and Gloucester and James City Counties in 1973.

The City of Newport News' population increased during 1980-1984 by 6.7 percent, or by 9,697 persons. The population of Hampton during this period increased from 122,617 to 126,000 persons or by 2.8 percent. The largest percentage increase in the Newport News-Hampton SMSA occurred in the neighboring cities of Poquoson and Williamsburg and the counties of Gloucester, James City and York. The population increase in the political subdivisions was 12,271 persons over the four-year period, or 12.7 percent.

The population of the Norfolk-Virginia Beach-Portsmouth, Virginia SMSA increased by 69,978 persons or by 9.6 percent from 725,624 in 1970, to 795,602 persons in 1980. The population of the Newport News-Hampton, Virginia SMSA expanded by 31,309 persons, or 9.4 percent over the 1970-1980 period.

The population of the City of Norfolk declined during the 1970s, going from 307,951 to 266,979, a decrease of 40,792 persons. The population of the City of Virginia Beach increased sharply from 172,106 persons in 1970, to 262,199 persons in 1980. The population of the City of Chesapeake increased by 25,906 persons or by 27.5 percent over the 1970-80 period, while the level of population of the City of Portsmouth declined by 6,386 over the period.

The population of Newport News increased during the 1970s, going from 138,177 to 144,903 persons, or by 4.9

percent. Similarly, the population of the City of Hampton increased by 1.5 percent or 1,838 persons. The population increases of these cities was overshadowed by dramatic increases in the balance of the Newport News-Hampton SMSA which went from 74,184 to 96,929 persons, or by 30.7 percent.

An observation of significance regarding the population decline for Norfolk during the 1970-1980 period relates to the way in which crews of U. S. Naval vessels were counted. In the 1970 Census crews of vessels not deployed to an overseas fleet were counted as inhabitants of the home port of the vessel. The 1980 Census counted the crews of vessels in the local population only if the ships were in port when the census was taken. As there was a major deployment in mid-March 1980 of Naval vessels from Norfolk to other parts of the world, there is the strong likelihood that the inferences drawn from the population decline in Norfolk are misleading because the Census was taken as of April 1, 1980. The change by the Bureau of the Census in counting local population applies to other cities in the Hampton Roads Metropolitan Area. The effect, however, is more pronounced in Norfolk.

Downtown Norfolk in 1984 had an estimated population of 969 in Planning District 59. This compares with a population in 1980 of 1,230 in Census Tract 49 and represents a decrease of 261 persons or 21 percent. The population change for Downtown Norfolk for the period

1950-1984 is shown in Table 9. When viewed over the life of the redevelopment of Downtown Norfolk, which began on December 11, 1951, the population of Downtown Norfolk decreased from 1,626 to 969 persons over the 1950-1984 period, or 40 percent. As a percentage of the City of Norfolk's total population, Downtown Norfolk decreased from .76 percent in 1950 to .4 percent in 1984.

Downtown Norfolk's population declined from 1960 to 1980 by 1,475 persons, or 55 percent. In 1960, Downtown Norfolk's resident population was 2,705 persons, or less than 1 percent of the City's total. By 1980 the population was 1,230 persons. In 1970, the total downtown population was 1,464, a 46 percent decrease over 1960. During the period 1970-1980, Downtown Norfolk's population declined by 234, reaching a total of 1,230 by 1980. Downtown Norfolk's share of the total City population remained at .5 percent between 1970-1980 as compared to .9 percent in 1960 and .4 percent in 1984.

TABLE 9

Population Change
Downtown Norfolk, City of Norfolk and South Hampton Roads,
1950-1984

	1950	1960	1970	1980	1984 ^a
Population	1,626	2,705	1,464	1,230	969
City of Norfolk	213,513	305,872	307,951	266,979	240,683
South Hampton Roads	489,167	616,245	725,624	795,602	871,400
Downtown as percentage of:					
City of Norfolk	.76	.88	.48	.46	.40
Downtown as percentage of:					
South Hampton Roads	.33	.44	.20	.15	.41

Source: U. S. Bureau of the Census, Census of Population of the States:
Virginia, 1950, 1960, 1970, 1980;

- a. Based on estimates for Norfolk Planning District 59, See Public Demographic, Inc. Current Demographic Profiles for Norfolk, Virginia, March, 1984, Table II - Planning District Summary: Selected Characteristics, p. 6.
- b. South Hampton Roads is synonymous with the Norfolk-Virginia Beach-Portsmouth SMSA. The area includes the cities of Norfolk, Portsmouth, Virginia Beach, Chesapeake and Suffolk. Cities in the "South Hampton Roads" category are the same geographical boundaries for all time periods. Adjustments have been made for changes in political boundaries.

Housing. The number of households in Downtown Norfolk decreased during the period 1960-1980. Table 10 shows there were 1182 households in 1960, compared to 545 in 1980. It is noted that the average household size in 1960 for Downtown Norfolk was 1.95 persons as compared to 3.27 for the City of Norfolk and 3.43 for South Hampton Roads in that year. By 1980, the average family size had decreased to 1.52 for Downtown and to 2.65 and 3.04 for the City and South Hampton Roads, respectively.

In the late 1970s and early 1980s there has been an increase in housing production in Downtown Norfolk. The Conservation Project was the site of twenty new townhouses in 1977. These townhouses are now occupied. A total of 90 new and restored condominium units were nearing completion in 1985 on and adjacent to Pier A in Freemason Harbour as were 77 units that are being converted in the Boush Cold Storage warehouse at Harbour Place.

New housing production has been recognized as a key element in the redevelopment of downtown Norfolk. It has been felt from the standpoint of public policy that higher income families should be encouraged to live downtown. Special efforts have been made to increase housing demand on the part of higher income families in order to strengthen the economic base and help stem the out-migration of the more affluent households to the suburbs.

TABLE 10

Trends of Households and Household Size for Downtown Norfolk,
City of Norfolk and South Hampton Roads
1960-1980

	1960	1970	1980	Cumulative Change 1960 - 1980	
				Number	Percentage
<u>Households</u>					
Downtown Norfolk	1,182	759	545	(637)	(53.9)
City of Norfolk	81,871	86,742	87,802	5,971	7.3
South Hampton Roads	152,808	191,536	246,086	93,278	61.0
Downtown as Percentage of City of Norfolk	1.44	.88	.62		
Downtown as Percentage of South Hampton Roads	.77	.40	.22		
<u>Average Household Size</u>					
Downtown Norfolk	1.95	1.36	1.52	(.43)	(22.0)
City of Norfolk	3.27	3.04	2.65	(.62)	(19.0)
South Hampton Roads	3.43	3.24	3.04	(.39)	(11.4)
Downtown as Percentage of City of Norfolk	59.60	44.70	57.4		
Downtown as Percentage of South Hampton Roads	56.90	42.00	50.00		

Source: U.S. Bureau of the Census, Census of Population, General Social and Economic
Characteristics, Virginia, 1960, 1970 and 1980.

For more than three decades, the migration out of Norfolk has been encouraged both by market forces and by public programs. In recent years, there have been migration flows back to the city. Ghent Square, Ghent Commons, Ghent Village, and Freemason Harbour have increased the supply of moderate, middle, and upper-income single-family homes and apartments. While people are moving back into the city, the flow shows that it is still not enough to counterbalance those moving out.

There are three apartment buildings in or adjacent to Downtown Norfolk that were constructed in connection with redevelopment efforts. These are Hague Towers, Hague Park, and Pembroke Towers. Hague Towers is in the CBD and is an 18-story building with 258 apartments that was built on land cleared by redevelopment. The other apartments contain 234 units and were built on adjoining land just outside the boundary of the CBD.

Future developmental phases in downtown will include more residential units. The timing and magnitude of additional phases are dependent on market conditions. It is anticipated that the goal of 1,000 residential units will be built in Freemason Harbour by 1990.

Residents for downtown housing are being drawn from singles, young marrieds, couples without children, retirees, downtown employees, and those who seek the cultural and other attractions that downtown offers.

In addition to new housing, there are opportunities for both conversion and rehabilitation of existing structures. The West Freemason historic district is an example of how existing buildings can be rehabilitated and blended in with new residential construction. Sites for new construction are concentrated in the Freemason Harbour and West Waterfront section of downtown in order to capitalize on the amenity of the water.

Income. The income profile of residents in Downtown Norfolk has improved since 1960. Table 11 shows that in 1960 the median family income of Downtown Norfolk residents equaled \$2,324 as compared to \$4,894 for the City and \$5,071 for South Hampton Roads. By 1970, the median family income of Downtown Norfolk's residents had increased to \$12,828, compared to \$7,821 for the City and \$8,705 for South Hampton Roads. Between 1970 and 1980, the median family income of Downtown Norfolk residents had reaches \$26,083 as compared to \$14,779 for the City and \$18,570 for South Hampton Roads. Using average household income, which includes families and unrelated individuals, the average household income of Downtown Norfolk residents increased from \$8,725 in 1970 to \$19,689 in 1980. The increase exceeded comparable income levels of both the City of Norfolk and South Hampton Roads.

Table 11
Income Trends for Downtown Norfolk,
City of Norfolk and South Hampton Roads
1960, 1970 and 1980

	1960			
	<u>Downtown Norfolk</u> <u>Amount</u>	<u>%City</u>	<u>City of Norfolk</u>	<u>South Hampton Roads</u>
Median Income	\$2,324	47.5	\$4,894	\$5,071
Avg. Household Income (1)	-	-	-	-
	1970			
	<u>Downtown Norfolk</u> <u>Amount</u>	<u>%City</u>	<u>City of Norfolk</u>	<u>South Hampton Roads</u>
Median Income	\$12,828	164.0	\$7,821	\$8,705
Avg. Household Income	\$ 8,725	137.2	\$6,360	\$7,430
	1980			
	<u>Downtown Norfolk</u> <u>Amount</u>	<u>%City</u>	<u>City of Norfolk</u>	<u>South Hampton Roads</u>
Median Income	\$26,083	176.5	\$14,779	\$18,570
Avg. Household Income	\$19,689	122.5	\$16,072	\$19,192

(1) Average household income distribution (families and unrelated individuals) was not reported in the Census in 1960. Changes in the Census reporting show household income distribution for 1970 and 1980.

Source: U. S. Census, 1960, 1970 and 1980. Compiled and reconciled by C.A.C.I., Resources Management and Development Economics Department.

Employment. The trends of the employment profiles for the South Hampton Roads and Norfolk are shown in Table 12, following which shows the distribution of civilian nonfarm employment by categories for 1970, 1980 and 1984.

The government trade sectors show the largest number of employees. The government sector, which had 62,600 employees in 1970 increased to 82,700 in 1984 in the South Hampton Roads SMSA. In Norfolk the number of government employees remained about the same between 1970 and 1984, increasing by 800 employees from 32,800 to 33,600 over the 14-year period. As a percentage of the SMSA, Norfolk declined from 52.4 percent to 40.6 percent in the government sector. Significant declines are noted in most categories, with the exception of finance, insurance and real estate.

A closer examination of the finance, insurance and real estate sector reveals an increase of the number of employees in this sector from 6500 to 9800 from 1970 until 1984. Norfolk, as a percentage of the SMSA, declined from 65 percent to 60 percent. When compared to the other sectors, it appears that growth in Downtown Norfolk of the financial institutions is reflected in the percentage changes noted.

The trade sector, which includes wholesale and retail, showed a numerical increase in Norfolk of 3700 employees as compared to 29,300 employees for South Hampton Roads.

TABLE 12

Trends of Employment in Civilian Nonagricultural Industries by Major Divisions
South Hampton Roads and Norfolk, 1970, 1980 and 1984
(In Thousands)

	South Hampton Roads			Norfolk			Norfolk as percentage of SMSA		
	1970	1980	1984	1970	1980	1984	1970	1980	1984
Manufacturing	25.1	29.2	27.6	13.5	15.5	13.1	54.2	53.1	47.5
Non-manufacturing	187.9	257.9	292.2	109.8	125.4	124.2	63.9	48.6	42.5
Construction	14.4	17.5	22.1	7.3	6.7	6.1	50.7	38.3	27.6
Transportation & Public Utilities	16.9	19.3	20.1	12.9	12.2	10.7	76.3	63.2	53.2
Wholesale & Retail Trade	51.5	68.7	80.8	30.2	32.7	33.9	58.6	47.6	42.0
Finance, Insurance & Real Estate	10.0	15.2	16.3	6.5	8.5	9.8	65.0	55.9	60.1
Service	32.5	56.4	70.2	20.0	30.6	30.1	61.5	54.3	42.9
Government	62.6	80.8	82.7	32.8	34.5	33.6	52.4	42.7	40.6
Other	—	—	—	10.2*	—	—	—	—	—
Total	213.0	287.1	319.2	133.5	140.9	137.7	62.7	49.1	43.0

*Includes nonagricultural, self-employed and unpaid family workers, and domestic workers in private households. South Hampton Roads data are annual averages. Norfolk data are averages for quarter ending March 31.

Sources: Virginia Employment Commission, Economic Information Services Division, Virginia Trends in Employment Hours and Earnings, July 1 1985, pp. 48-49.

Virginia Employment Commission, Division of Research and Analysis, "Population and Labor Force Data," March 1970 and March 1980.

Virginia Employment Commission, Division of Research and Analysis, "Covered Employment and Wages in Virginia," March 1984.

As a percentage of the SMSA in the trade sector, Norfolk declined from 58.6 percent in 1970 to 47.6 percent in 1980 and to 42 percent in 1984. It can be inferred from the percentage decline that retail trade has not increased in Downtown Norfolk. That Downtown has declined in retail trade becomes more pronounced when the impact of other shopping centers such as Military Circle, Janaf, Southern and Wards Corner are taken into consideration.

Norfolk has maintained its position as the employment center as noted in the Table 13. Between 1975 and 1984 at-place employment (where people work) increased from 127,914 to 137,700 persons.

Table 13

Norfolk At-Place Civilian Employment
1950, 1960, 1970, 1975 and 1984

	<u>Number of Persons</u>				
	<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>1975</u>	<u>1984</u>
Norfolk	92,150	112,476	133,568	127,914	137,700

SOURCE: Bureau of Census for 1950, 1960 and 1970;
 Bureau of Census, County Business Patterns 1975;
 Virginia Employment Commission.

NOTE: No adjustments have been made for annexations.

The most recent survey of Downtown Norfolk shows a current employment of 17,600 with projections for 1985 to be 19,100 employees. Within the Norfolk CBD total are 3,843 people employed on the Granby Mall area. These figures are summarized in Table 14.

Table 14

Projected Change for Employment
in Downtown Norfolk
1980-1985

	<u>1980</u>	<u>1985</u>	<u>Amount</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
Office District	9,400	10,500	1,100	11.7%
Balance CBD	8,200	8,600	400	4.9%
CBD Total	17,600	19,100	1,500	8.5%

SOURCE: Southeastern Virginia Planning District
 Commission, Norfolk City Planning Department and
 Praful Shah and Associates.

Economic

Retail Sales. Throughout the first half of the century Downtown Norfolk was the primary retail center for the Hampton Roads Region. Since the 1950s retail sales in Downtown Norfolk have steadily declined. Table 15 shows the trends in retail sales for the South Hampton Roads Region since 1954. The decline in retail sales has been prevalent in CBDs across the country since the 1950s. It is generally known that changing residential patterns, highway construction, and suburban shopping centers combined have had an adverse effect on downtowns. Hence, the data reported in Table 15 help to validate the decline in Downtown retail sales that have occurred.

In recent years Downtown Norfolk has maintained a low position in retail sales as compared to the total city in prior years. In 1977 and 1982 Downtown Norfolk retail sales were less than 7 percent of the total retail sales for the City of Norfolk. In 1954 retailing in

Downtown Norfolk was almost one-third of the City's share and one-fifth of South Hampton Roads. By 1972 the CBD's retailing share had dropped to 13 percent of the City's 6.3 percent of the Region's retailing. When viewed over the period 1954-1982, Downtown Norfolk's retail sales have actually decreased in current dollars by more than 20 percent since 1954. Retail sales for the CBD were approximately \$100 million in 1954 as compared to \$80 million in 1982. Downtown Norfolk compares negatively with the cumulative change for retail sales in the City of Norfolk and South Hampton Roads which increased in current dollars by approximately 270 percent and 600 percent, respectively.

The decline of retailing is expected to change and show a slight increase by 1985 as the result of the festival marketplace The Waterside in Norfolk's Downtown.

Table 15
TRENDS IN RETAIL SALES FOR DOWNTOWN NORFOLK
CITY OF NORFOLK AND SOUTH HAMPTON ROADS
1954-1982
(Thousands of Current Dollars)

	1954	1958	1963	1967	1972	1977	1982	Cumulative Change 1954-1982 (\$)
<u>Retail Sales</u>								
Downtown Norfolk	\$100,471	\$92,274	\$ 83,252	\$ 78,076	\$ 90,618	\$ 62,230	\$ 80,010	-20.4
City of Norfolk	327,412	364,090	418,192	479,911	695,901	917,961	1,210,315	269.7
South Hampton Roads	505,085	563,424	684,012	847,543	1,449,731	2,343,241	3,539,645	600.8
Downtown as percentage of City of Norfolk	30.7	25.3	19.9	16.3	13.0	6.8	6.6	
Downtown as percentage of South Hampton Roads	19.9	16.4	12.2	9.2	6.3	2.7	2.3	

Source: U. S. Bureau of the Census, Census of Retail Trade, Major Retail Centers, 1954, 1958, 1963, 1967, 1972, 1977 & 1982

U. S. Bureau of the Census, 1958 Census of Business, Central Business Districts, Norfolk-Portsmouth, Va. Area

Office Building Activity. Office Development has continued at a rapid rate in Downtown Norfolk. The growth that began in 1982 has been attributed to such causes as the Economic Recovery Tax Act of 1981 which shortened the life of a building for depreciation purposes, a reduction of the interest rate, and the emergence of widespread syndication.

The gross leasable area of major private office space in Downtown Norfolk was 1,912,100 square feet in July 1982. From 1982 to July 1985, there was a growth of 471,785 square feet of office space in Downtown Norfolk.

Selected office building activity characteristics of Downtown Norfolk and the suburban market are summarized on Table 16.

TABLE 16

**Office Building Activity Characteristics, Downtown Norfolk, City of Norfolk, Virginia
Beach and Chesapeake (1982 - 1985)**

<u>Downtown Norfolk</u>	<u>July 1982</u>	<u>January 1983</u>	<u>July 1983</u>	<u>January 1984</u>	<u>July 1984</u>	<u>January 1985</u>	<u>July 1985</u>
Number of Buildings	18	20	22	25	26	26	27
Gross Leasable Area (sq. ft.)	1,912,100	1,950,000	2,200,000	2,360,000	2,449,129	2,350,404	2,383,885
Weighted Average Rent per Square Foot	\$10.96	\$12.33	\$13.13	\$13.79	\$13.58	\$14.78	\$14.89
Vacancy							
Square Feet	142,700	126,450	213,400	321,200	396,956	236,130	218,738
Percentage	7.5%	7.8%	11.5%	16.1%	19.1%	11.9%	10.9%
<u>Suburban Market</u>							
Number of Buildings					59	67	74
Gross Leasable Area (sq. ft.)					3,058,259	3,434,224	3,625,146
Weighted Average Rent per Square Foot	\$9.82	\$11.27	\$11.24	\$11.88	\$11.81	\$11.93	\$11.80
Vacancy							
Square Feet					509,756	525,910	615,421
Percentage					18.7%	17.2%	19.0%
<u>Total Market (Downtown Norfolk and Suburban)</u>							
Number of Buildings					85	93	101
Gross Leasable Area (sq. ft.)					5,507,388	5,784,628	6,009,031
Weighted Average Rent per Square Foot	\$10.42	\$11.97	\$12.12	\$12.73	\$12.58	\$13.10	\$12.98
Vacancy							
Square Feet							
Percentage					18.8%	15.1%	15.9%

Source: Goodman Segar Hogan, Inc., Tidewater Office Market Survey,
July 1982, January 1983, July 1983, January 1984, July 1984,
January 1985 and July 1985.

Conventions, Tourism and Entertainment. The increase in convention, tourism, cultural and entertainment activity is due to the number of unique attractions and facilities in the Tidewater Area. Although visitors to Williamsburg, Virginia Beach, and the Naval Base account for much of the activity, Norfolk's Downtown has shown an increase in convention activity as noted in Table 17. The number of delegates shown in Table 17 do not include local area residents.

Table 17

**CONVENTIONS AND MEETINGS
DOWNTOWN NORFOLK
1980 - 1985**

	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u> (est.)	<u>Cumulative Change 1980-1985</u>
Number of Conventions and Meetings	161	127	123	133	159	165	2.54
Average Number of Out-of- Town Delegates Per Conven- tion & Meeting	443	671	740	680	504	649	46.38
Out-of-Town Delegates Number	71,821	85,237	91,836	90,563	80,231	107,000	35,579
Average Length of Stay	2.89	3.13	2.76	2.57	3.25	n.a.	n.a.
Economic Impact of Out-of- Town Delegates Expenditures (\$000)							
Total City	\$17,100	\$18,200	\$21,000	\$23,400	\$24,500	n.a.	n.a.
Downtown Norfolk	\$13,680	n.a.	n.a.	\$20,475	n.a.	n.a.	n.a.
Hotel Room Inventory Downtown	803	n.a.	n.a.	938	930	932*	129

*Downtown hotels include Omni - 442 rooms; Holiday Inn - Waterside Area - 353 rooms; and Hotel Madison - 137 rooms. Excluded are Quality Inn - Town Point - 168 rooms; Econo-Travel (Tidewater Drive) - 73 rooms; and Thomas Nelson - 115 rooms.

Source: Diann P. Stuts, Director of Tourism, Norfolk Conventions & Visitors Bureau, 5 November 1985.

C.A.C.I., Resources Management and Development Economics
Department.

Banking Activity. The banks and banking institutions in Downtown Norfolk have shown continued growth in recent years. As noted in Table 18, bank deposits in Downtown Norfolk increased from \$975 million in 1980 to \$1251 million in 1983, or an increase of 28.3 percent. This compares with a 29.5 percent increase in the expansion of the City of Norfolk's deposit base. Deposits in the City of Norfolk increased from \$1734 million in 1980 to \$2247 million in 1983.

Table 18

**BANKING ACTIVITY,
DOWNTOWN NORFOLK, CITY OF NORFOLK,
AND SOUTH HAMPTON ROADS
1980-1983
(\$000)**

	<u>Downtown Norfolk</u>		<u>City of Norfolk</u>		<u>South Hampton Rds</u>
	<u>Number</u>	<u>\$City</u>	<u>Number</u>	<u>\$South Hampton Rds</u>	
1980					
Total Offices	28	23.58	119	36.48	327
Deposits					
IPC	\$ 877,372	54.28	\$1,619,647	50.18	\$3,234,462
Public	\$ 97,797	85.02	115,053	65.88	\$ 174,799
Total	\$ 975,169	56.38	\$1,734,700	50.98	\$3,409,361
IPC Deposits Per Office	\$ 31,335	230.48	13,610	137.68	\$ 9,891
1983					
Total Offices	28	23.38	120	35.18	342
Deposits					
IPC	\$1,061,783	52.38	\$2,029,761	43.48	\$4,681,679
Public	\$ 189,593	87.48	\$ 216,920	85.38	\$ 254,258
Total	\$1,251,376	55.78	\$2,246,681	45.58	\$4,935,937
IPC Deposits Per Office	\$ 37,921	224.28	16,915	123.68	\$ 13,689

Note 1: South Hampton Roads, includes the Cities of Norfolk, Portsmouth, Virginia Beach, Chesapeake and Suffolk.

Note 2: Deposits equal demand and time deposits of individuals, organizations and public agencies.

Note 3: IPC = Individuals, Partnerships and Corporations.

SOURCE: Decision Research Sciences, Tayloe Murphy Institute and estimates by C.A.C.I., Resources Management and Development Economics Department.

Assessed Valuation. The construction and rehabilitation of buildings in Downtown Norfolk is considered an important measurement in determining the impact of Norfolk's Downtown redevelopment and conservation programs. The assessment of the land and buildings provides a measurement of the impact. Although the type of construction has been devoted to public and private use, the assessed value measures only private values. Table 19 shows the total assessment for the Central Business District and the City of Norfolk for the period 1979-1980 to 1985-1986. The assessed valuation of land and buildings for the CBD are not available for the years prior to July 1, 1979.

It is of interest to note that the total assessment for the CBD in comparison to the total assessment for the City of Norfolk has increased from less than two percent in 1979-1980 to almost four percent in 1985-1986. When examined for the period from 1980 to 1986, Downtown Norfolk's assessed value of real estate increased from \$44,099,930 to \$156,150,230, a gain of \$112,050,390 or almost 2.54 percent.

Table 19

TOTAL ASSESSMENT: CENTRAL BUSINESS DISTRICT
AND CITY OF NORFOLK, 1979-1980 TO 1985-1986 (IN CURRENT DOLLARS)

July 1 - June 30	City of Norfolk			Increase Over Previous Year		CBO			Increase Over Previous Year		CBO as % of City
	Land	Building	Total			Land	Building	Total			
1979 - 1980	\$540,829,350	\$1,930,619,680	\$2,479,449,040	-		\$18,656,320	\$25,210,610	\$44,099,930	-		1.78
1980 - 1981	618,612,350	2,143,779,130	2,762,111,480	11.40		N/A	N/A	46,136,700	4.62		1.67
1981 - 1982	681,921,840	2,372,339,210	3,054,261,060	10.59		19,801,310	39,627,270	59,428,580	28.81		1.95
1982 - 1983	739,612,060	2,554,413,740	3,293,025,800	8.14		20,138,310	47,665,020	68,053,330	14.51		2.06
1983 - 1984	786,770,730	2,805,219,480	3,591,990,210	8.75		21,704,930	65,160,400	86,865,330	27.64		2.42
1984 - 1985	839,923,880	3,073,825,010	3,913,748,890	8.96		22,765,700	94,739,030	117,524,730	35.30		3.00
1985 - 1986	903,215,140	3,394,193,210	4,297,408,350	9.35		24,939,970	131,210,330	156,150,300	32.87		3.64

Source: Office of the City Real Estate Assessor, City of Norfolk

Tax Revenues. An important criterion in determining the impact of public investment to urban revitalization is the amount of tax revenues to the city. These tax revenues can be measured in the tax yield from real estate, business licenses, personal property, utilities, meals and lodging and admissions. Table 20 shows that tax revenues for the 15 years from 1970-71 to 1984-85 yielded \$61,146,972 in current dollars.

Table 20

Taxes Received by City of Norfolk
from Urban Redevelopment Program in
Downtown Norfolk
July 1, 1970 to June 30, 1985

<u>Fiscal Year</u>	<u>Taxes</u>
1970-71	\$ 1,995,040
1971-72	2,091,000
1972-73	2,210,405
1973-74	2,300,000
1974-75	2,398,605
1975-76	2,508,141
1976-77	2,917,621
1977-78	3,084,051
1978-79	3,418,604
1979-80	4,101,200
1980-81	6,065,901
1981-82	6,005,904
1982-83	6,804,666
1983-84	7,246,374
1984-85	(Estimate) 9,000,000
Total	\$ 61,146,972

Source: The Commissioner of the Revenue, City of Norfolk

Other: Although the intent of this study has been to examine the change that has occurred in Downtown Norfolk over a 50-year period due to public investment, it would be misleading to omit reference to development under construction or planned at the beginning of 1986. For this reason data compiled by Virginian-Pilot staff writer, Mike Knepler, showing buildings under construction or planned are shown below.²⁹¹ Table 21 shows the development in Downtown Norfolk as of February 16, 1986. It should be noted that the possibility exists that some of these costs are included under assessed valuation in Table 19. Assuming that there is very little, if any, overlap, Table 21 shows that development approximating \$120 million was under construction in Downtown Norfolk.

Table 21

DEVELOPMENT UNDER CONSTRUCTION IN DOWNTOWN NORFOLK
As of February 16, 1986

<u>Name of Development</u>	<u>Development Cost</u> (Thousands)
Bank of the Commonwealth	\$2,400
D'ART Center	540
Decker Building	1,700
Dominion Tower	52,000
Fairfax Hotel	2,250
Flatiron Building	2,500
Freemason Harbour Condominiums	12,000
Lawler Ballard Building	200
Market Street Garage	3,600
119 York Street	100
Pilot House	8,300
SMA Center	n.a.
Shulman's Building	n.a.
Town Point Center	13,600
Virginia World Trade Center	18,800
York Street Center	1,600
Total	\$119,590

Table 22 shows that as of the same date, February 16, 1986, the estimated costs of developments planned in Downtown totaled over \$37 million.

Table 22

ESTIMATED COSTS OF DEVELOPMENT PLANNED IN DOWNTOWN NORFOLK
As of February 16, 1986

<u>Name of Development</u>	<u>Proposed Development Costs (Thousands)</u>
Albritton Development Company, Inc.	\$ n.a.
Bute Street Garage	3,500
City Centre	4,500
Cousteau Ocean Center	24,700
Loew's Theatre	n.a.
Molasses Tank	400
Monroe Building	600
Tavss, Fletcher & Earley Office Building	1,000
Town Point Garage	n.a.
Waterside Festival Marketplace, Phase II	n.a.
Waterside Garage, Phase II	n.a.
Wells Theatre	<u>2,850</u>
Total	\$ 37,550

Hence, after eliminating non-taxable properties, the value of private land and buildings in Downtown Norfolk is conservatively estimated to exceed \$250 million by 1990. This is considerable improvement over 1958 when the amount of taxes levied (but not always collected) by the City of Norfolk on property in Projects Va. R-8, R-9 and R-18 amounted to \$197,799.20.²⁹² The taxes levied on property in the remainder of Downtown in 1958 are estimated to be about \$300,000. As taxes in 1958 were applied to an appraised value of 50 percent of fair market value, the value of land and buildings in Downtown Norfolk in

1958 would have been approximately \$1 million. It should be noted that the private land and buildings in Downtown Norfolk were taxed in subsequent years at higher assessment because of the increased value caused by redevelopment. Interpreting assessments in current dollars, property values increased from \$1 million in 1958 to \$156 million in 1985, or a ratio of 156 to 1.

FOOTNOTES

- 1 "Slum District Study Sought to Determine PWA Fund Need," Virginian-Pilot, 20 January 1935, Sec. 2, p. 1.
- 2 "Group of Five Named to Plan Slum Clean-Up," Virginian-Pilot, 24 January 1935, Sec. 2, p. 10.
- 3 Ken Wheeler, "The Kaufman Years and Changes on the Face of Norfolk," Virginian-Pilot, 31 August 1969, Sec. C, pp. 1-2.
- 4 "Group of Five Named to Plan Slum Clean-Up," Virginian-Pilot, 24 January 1935, Sec. 2, p. 10.
- 5 "Conference on Crime to Open Today," Virginian-Pilot, 18 March 1937, p. 22.
- 6 "Norfolk Slum Costs Per Year Put at \$750,000," Virginian-Pilot, 19 March 1937, p. 26.
- 7 "Slums Cost Norfolk \$750,000 Yearly in Crime and Disease, City Manager Tells Conference," Ledger-Dispatch, 18 March 1937, p. 1.
- 8 "Clearing the Mental Slum," Virginian-Pilot, 19 March 1937, p. 4.
- 9 "Permanent Crime Study is Approved," Virginian-Pilot, 20 March 1937, p. 18.
- 10 "Page, Collmus Score Federal Housing Plans," Virginian-Pilot, 11 August 1937, p. 16.
- 11 "League Asks Enabling Act for Slum Clearance," Virginian-Pilot, 22 September 1937, p. 18.
- 12 "Realtors Ask Price to Drop Housing Bill," Ledger-Dispatch, 10 March 1938, p. 1.
- 13 "Judiciary, Old Age Aid Measures Pass House; Housing Bill is Enacted," Virginian-Pilot, 11 March 1938, Sec. 1, p. 1.
- 14 Ibid., Sec. 1, p. 13.
- 15 "City Council Votes Down Slum Project," Virginian-Pilot, 28 June 1939, p. 18.
- 16 "USHA Group Puts One Over, Realtors Get Behind Etheridge Selection," Ledger-Dispatch, 7 September 1940, p. 4.
- 17 "Etheridge Quits NRHA, Vice Chairman Since '42," Virginian-Pilot, 22 April 1970, Section B, p. 1.

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- 18 "City Officials to Attend Slum Session Today; Gurkin, Page and Borland Going to Richmond; No Council Meeting," Virginian-Pilot, 23 January 1940, p. 16.
- 19 Ibid. 20 Ibid.
- 21 "Slums Clean Up is Backed by Ministers, Tidewater Association Adopts Urgent Request for Action," Virginian-Pilot, 27 February 1940, p. 18.
- 22 "Slum Question is Debated at Kiwanis Club, W.E. Debnam and Otto Hollowell Take Opposite Sides of Issue," Virginian-Pilot, 1 March 1940, p. 10.
- 23 "Study of Slum Conditions by Municipal Committee is Sought by Commerce Body," Virginian-Pilot, 24 April 1940, p. 16.
- 24 "Council Asks Slums Study by Old Group, Kaufman, Pender, Grandy, Lewis and Windholz Again Named, Made 1935 Survey," Virginian-Pilot, 1 May 1940, p. 18.
- 25 "Slum Project Defeated by City Council; Wood, Page and Roberts Oppose Local Housing Authority," Virginian-Pilot, 26 June 1940, p. 24.
- 26 "City Will Know Slum Verdict Tuesday, Quick Action Necessary to Get Government Aid, Supporters of USHA Plan Pack Council Chamber in Sweltering Heat and Urge Immediate Action," Norfolk News-Index, 20 June 1940, pp. 1-2.
- 27 "Thumbs Up!," Norfolk News-Index, 27 June 1940, p. 4.
- 28 "Slums Stir Hot Debate; Action Asked," Virginian-Pilot 2 July 1940, p. 20.
- 29 "Slum Foes Will Press by Petitions," Virginian-Pilot 3 July 1940, p. 18.
- 30 "Navy Housing Needs Acute, Says Taussig, District Head Makes Plea for Council to Set Up Authority," Ledger-Dispatch, 29 June 1940, p. 2.
- 31 "Taussig Says Navy May Build Houses," Ledger-Dispatch, 29 June 1940, p. 2.
- 32 "New Housing Vote Promised by Wood," Ledger-Dispatch, 3 July 1940, p. 2.

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- 33 "Borland Preparing Report on Housing Creation of Local Housing Authority Likely to be Voted by Council in About Ten Days," Ledger-Dispatch, 9 July 1940, p. 1.
- 34 "Housing Authority Created by Council and Members Named, Action Comes on Recommendation of City Manager Borland," Virginian-Pilot, 24 July 1940, p. 20.
- 35 Ibid. 36 Ibid.
- 37 "Housing Plans Going Ahead, Council Corrects Flaw; New Authority Meets," Ledger-Dispatch, 30 July 1940, p.1.
- 38 Ibid. 39 Ibid.
- 40 "Windholz Heads USHA in Norfolk," Virginian-Pilot, 31 July 1940, p. 16.
- 41 Wayne Woodlief, "Kaufman Won't Seek Reappointment," Ledger-Star, 24 July 1969, Section B, p. 1.
- 42 "Housing Authority Parley Tomorrow, Taussig and Winston Asked to Tell of Local Needs; Windholz Named as Chairman," Ledger-Dispatch, 31 July 1940, p. 4.
- 43 "Housing Authority Asks \$4,000,000 for 1,000 Units Here, Taussig Tells Newly-Created Body Need is Urgent, Speed is Objective, Question of Windholz Accepting Chairmanship Before Judge Way," Virginian-Pilot, 2 August 1940, p. 16.
- 44 Ibid.
- 45 "Norfolk Gets Housing Loan, Roosevelt Approves Plan to Build 500 Homes," Ledger-Dispatch, August 28, 1940, p. 1.
- 46 "First Spade Lifted in Housing Project Construction," Virginian-Pilot, 19 October 1940, p. 6.
- 47 "Settling Down," Ledger-Dispatch, 2 April 1941, p. 2.
- 48 "Norfolk Slums 'Worst' in Country, Says USHA Administrator After Tour of City," Journal and Guide, 26 October 1940, p. 1.
- 49 Ibid.
- 50 Interview with Lawrence M. Cox, Norfolk, Virginia, 9 September 1985.

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- 51 "Norfolk Slums 'Worst' in Country, Says USHA Administrator After Tour of City," Journal and Guide, 26 October 1940, p. 1.
- 52 "Norfolk Application for Slum Clearance Calls for 300 Units, Housing Authority Here Assured of First Consideration When More Federal Funds Are Available," Ledger-Dispatch, 11 September 1940, p. 1.
- 53 Ibid.
- 54 "Norfolk is Given \$2,000,000 Slum Clearance Grant, Largest Part of Sum Set Aside by USHA for Negro Housing," Virginian-Pilot, 30 January 1941, p. 1.
- 55 Ibid.
- 56 Norfolk Redevelopment and Housing Authority, This Is It, May 1946, p. 16.
- 57 Ibid. 58 Ibid. 59 Ibid.
- 60 "Housing Post Goes to Cox," Ledger-Dispatch, 7 April 1941, p. 1.
- 61 Ibid. 62 Ibid.
- 63 "George H. Lewis Dies at Home Here," Ledger-Dispatch, 24 March 1942, p. 1.
- 64 "L. H. Windholz Dies After Heart Attack," Ledger-Dispatch, 24 July 1942, p. 1.
- 65 "Willcox Given Place on City Housing Body," Ledger-Dispatch, 30 July 1942, p. 14.
- 66 "Housing Authority Names C. L. Kaufman Chairman," Ledger-Dispatch, 4 August 1942, p. 3.
- 67 "26,000 More Workers Needed for War Jobs Here in Next Half Year; Housing Big Problem, Although Better Than It Was; Additional Shelter Topic of Conference; Labor Turnover at Yard Cited," Virginian-Pilot, 28 October 1942, p. 18.
- 68 NRHA, This Is It, p. 8.
- 69 "Oak Leaf Park Being Settled," Virginian-Pilot, 3 January 1942, p. 5.
- 70 Ibid.

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- 71 "22-Acre School Site Purchase for Building in Bay View Area is Authorized by City Council; Cooperation Agreement with Norfolk Housing Authority Voted," Virginian-Pilot 14 May 1941, p. 22.
- 72 "Roberts Park Bids Opened," Ledger-Dispatch, 3 February 1942, p. 1.
- 73 "Roberts Park Work Starts," Ledger-Dispatch, 24 February 1942, p. 2.
- 74 "New Housing Project Sites Announced," Ledger-Dispatch, 22 February 1943, p. 3.
- 75 Ibid.
- 76 "Population of City Stays at High Level," Virginian-Pilot, 4 January 1946, p. 20.
- 77 NRHA, This Is It, p. 37.
- 78 U. S. Department of Commerce, Bureau of the Census, 1950 United States Census of Housing, Norfolk, VA., p. 3.
- 79 NRHA, This Is It, p. 8 and p. 26.
- 80 "The Housing Crisis," Ledger-Dispatch, 10 December 1945, p. 6.
- 81 "\$9 Million Slum Clearance Plan Revealed; War Housing to Stand Until Job Peak Eases and Private Building Can Remedy Shortage," Virginian-Pilot, 24 August 1945, p. 22.
- 82 Ibid.
- 83 "Housing Future in City, County, to be Surveyed; Kaufman Heads Joint Body to Study Termination of Federal Systems," Virginian-Pilot, 1 November 1945, p. 8.
- 84 "New Housing Bill Offered in Senate," New York Times, 16 November 1945, p. 18.
- 85 "Lawmakers Asked to Clear Slums," Ledger-Dispatch, 23 November 1945, p. 2.
- 86 Ibid.
- 87 Norfolk Redevelopment and Housing Authority, Minutes of Meeting of the Board of Commissioners, meeting of 19 June 1946. (Typewritten.)

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195 Va. 326, 78 S.E. 2d 893 (1953).
- 89 Norfolk Redevelopment and Housing Authority, Minutes
of Meeting of the Board of Commissioners, meeting of
19 June 1946. (Typewritten.)
- 90 Charles L. Kaufman, "Behind the Title," in This Is
It, ed. Norfolk Redevelopment & Housing Authority,
May 1946, p. i.
- 91 William L. Tazewell, "The Making of the New Norfolk:
A New Norfolk has arisen Out of the Blight,"
Virginian-Pilot, 23 July 1961, Section B, p. 1.
- 92 Joseph Bobbitt, Jr., "Norfolk Selects 'Career' City
Manager," Virginian-Pilot, 8 October 1946, p. 1.
- 93 As a member of City Manager Harrell's staff,
the author recalls that the City Manager on
one occasion decided against the author's recommen-
dation to improve certain streets in blighted
sections of Downtown Norfolk. Harrell's rationale
was that the neighborhoods in Downtown were too
blighted and that a temporary expedient of construc-
ting or resurfacing streets would delay the more
urgent goal of slum clearance and redevelopment that
was to be implemented within the framework of a
comprehensive plan.
- 94 "\$25,000 Housing Study Voted to City Authority,
Council Supports, 4-0, Plea of Chairman Kaufman,
Rejects Arguments of Realtor, H. A. Hogan, Jr.,"
Virginian-Pilot, 22 December 1948, p. 1.
- 95 "Slum Clearance Experts Engaged to Study Norfolk;
Harrison, Ballard and Allen, New York Consultants,
Retained to Launch Redevelopment Program, Federal
Grants Anticipated of Congress," Virginian-Pilot, 22
March 1949, p. 26.
- 96 "Truman Asks Housing Program Speed; Lawrence M. Cox,
Norfolk, Present as President Signs Bill,"
Ledger-Dispatch, 15 July 1949, p. 1.
- 97 "M. T. Blassingham appointed as Authority
Commissioner Succeeding Thomas H. Willcox Who
Declined Recent Reappointment," Ledger-Dispatch, 27
July 1949, p. 19B.
- 98 "Norfolk's Huge Housing Program Given Approval,"
Ledger-Dispatch, 16 August 1949, p. 1.

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- 99 "Norfolk Granted 3,000 U.S. Housing Units; Construction Should Start Early in 1950; Housing Commissioner Signs 2-Year Program, Second in Nation," Virginian-Pilot, 17 August 1949, p. 1.
- 100 "Norfolk's Housing Priority," Virginian-Pilot, 18 August 1949, p. 1.
- 101 "300 Acre Slum Blot Can Be Erased in Seven Years; Thousands Would Be Affected by \$60,000,000 Plan," Ledger-Dispatch, 4 October 1949, p. 1.
- 102 Harrison, Ballard and Allen, Redevelopment and Housing Program, Virginia for Norfolk Redevelopment and Housing Authority, 1949, p. 1.
- 103 "New Streets Link Others in Vast Web; Inner Belt Route and Circumferential Distribution Mapped; Opportunity Cited; System Geared to Bridge-Tunnel Chain to Berkley and Portsmouth," Virginian-Pilot, 4 October 1949, p. 1.
- 104 "Truitt Presents 11-point Protest to Slum Project," Virginian-Pilot, 30 November 1949, p. 28.
- 105 Ibid. 106 Ibid.
- 107 "Letters to The Editor: Let's Clean Up The Slums," Virginian-Pilot, 29 November 1949, p. 6.
- 108 "Pastor Raps Opponents of Slum Project; Rev. Beverly T. White Urges Christians to Support Plan," Virginian-Pilot, 5 December 1949, p. 22.
- 109 "Pastors Back Pulpit Call To End Slums; Association Praises Member for Taking Definite Stand," Virginian-Pilot, 6 December 1949, p. 30.
- 110 "Slum Clearance Program Here On Way As Council Gives Approval to Agreement," Ledger-Dispatch, 7 December 1949, p. 20.
- 111 "Norfolk's Campaign Against Slums Advances Two Steps: 1,500 Housing Units Win Approval; \$6 Million Loan, Federal Grant Asked," Virginian-Pilot, 19 February 1951, p. 1.
- 112 "Slum Work to Help 10,000--Duckworth," Ledger-Dispatch, 20 August 1951, p. 1.
- 113 "Slum Housing Project Over Major Hurdle; Authority, Planners, HHFA Give Approval; Hearing Jammed," Virginian-Pilot, 11 August 1951, p. 22.

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- 114 Ibid. 115 Ibid.
- 116 "Slum Project Is Approved by Council; Action Seen as Green Light for Clearing 150 Acres," Virginian-Pilot, 22 August 1951, p. 24.
- 117 "First Family Out of Slums on East Side; Plans Set In Motion For Relocation of 2,930 Families," Virginian-Pilot, 22 September 1951, p. 22.
- 118 "Rumble of First Slum House To Be Razed Echoes 15 Years of Planning and Work; 2,000 Spectators Watch Start of Demolition of Blighted Area," Virginian-Pilot, 12 December 1951, p. 1.
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- 123 "\$10.9 Million Loan-Grant Executed for Redevelopment Project Number 1," Virginian-Pilot, 16 April 1952, p. 30.
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- 126 "Work Underway on 2nd Major Slum Clearance Project," Ledger-Dispatch, 16 November 1953, p. 19.
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- 130 Charles K. Agle, A Master Plan for the Central Business and Financial District, Norfolk, Virginia, July 1956, p. i.
- 131 Ibid.
- 132 "Downtown Renewal Plan Wins Approval; City Council Approves Master Plan for Downtown Norfolk by Unanimous Vote," Ledger-Dispatch, 13 November 1956, p. 1.
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16 June 1958, p. 6.
- 136 "City Lauded at Start of Downtown Plan," Ledger-Dispatch, 31 July 1958, p. 18.
- 137 "Rebirth or Doom' Choice Met with Vote for Future;
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25 June 1958, p. 1, Section 2.
- 138 "Massive Downtown Face-Lifting Given Formal Federal
Approval; Gross Project Cost \$30,000,000,"
Virginian-Pilot, 5 July 1958, p. 28.
- 139 Ibid.
- 140 "Norfolk's Progress and Prosperity Predicted:
'Ancient Flophouse Walls Tumble in Slum Clear-
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30 July 1958, p. 17.
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East; City's One-Third Share to be \$848,499," 27
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CHAPTER VII

CONCLUSIONS, RECOMMENDATIONS AND IMPLICATIONS FOR FUTURE RESEARCH

The analysis of the various public programs shows that some programs were more effective than others in the revitalization of Norfolk's Central Business District. This chapter provides conclusions, recommendations and implications for future research. Conclusions made from each program are discussed below.

Conclusions

Slum Clearance and Public Housing, 1933 - 1949. During the 16-year period from the enactment of the National Industrial Recovery Act on June 16, 1933, until the Housing Act of 1949, public and private interest groups were seeking answers to eliminating slum conditions that had been publicized since the turn of the century. Intervention by the Federal Government was intensified in the 1930s because of the catastrophic depression. Prior to that time, Federal intervention in shelter was considered "socialistic" and a threat to "the American free enterprise system." Had it not been for the collapse of the economy of the early 1930s, it is doubtful that the philosophy of Federal responsibility for the housing of

families of low-income would have occurred when it did. Hence, intervention by the Federal Government was an emergency action and not a departure from the free enterprise system.

In like manner, intervention into the deplorable housing conditions in Norfolk was an emergency action. While the emergency action at the national level was caused by the depression, the intervention at the local level in Norfolk was the result of overcrowded housing conditions that were aggravated by the national defense emergency. Although there was an awareness in 1935 that slums contributed to social ills, the City of Norfolk debated the merits of public involvement in shelter for five years before establishing a housing authority. That the Norfolk Housing Authority would have been established in 1940 is extremely doubtful had it not been for the Federal Government's threat to build housing for defense workers without local involvement.

To conclude that Norfolk lagged in the creation of a housing authority and the solution of its housing problems is an erroneous conclusion. The facts were that realtors in Norfolk represented a very powerful interest group at the local and state levels. It was only after the persistent efforts of such prominent citizens as David Pender, George H. Lewis, C. Wiley Grandy, L. H. Windholz, City Manager Thomas P. Thompson, church leaders and the newspapers, that Norfolk was able to begin to solve the

shelter needs that existed. Co-opting the realtors' most vocal opponent, James E. Etheridge, to serve as member and later Vice-Chairman of the Norfolk Housing Authority probably hastened involvement by the City of Norfolk. The national defense emergency, however, was undoubtedly the primary reason for the City's intervention.

The ensuing nine years from 1940 to 1949 again saw different reasons for action on slum clearance and public housing at the national level as contrasted with the City of Norfolk. At the national level, the struggle was between the Northern Democrats in Congress that supported strong housing legislation and the Republicans and Southern Democrats who generally opposed housing legislation. It was primarily because of the leadership of Senator Robert Taft of Ohio and Alabama Senator John Sparkman and Representative Albert Rains that the Housing Act of 1949 was enacted into the law. Norfolk was influential in the passage of the 1949 Housing Act because of the leadership of Norfolk Redevelopment and Housing Authority Executive Director, Lawrence M. Cox. Cox was President of the National Association of Housing and Redevelopment Officials at the time of passage of the 1949 Housing Act. NAHRO was an influential organization of housing officials supporting progressive housing legislation.

Although legislation passed by the General Assembly of Virginia during the 1940s enabled Norfolk to undertake

certain housing programs, the national defense effort caused a delay in the implementation of programs to house slum dwellers. It was not until the end of World War II that local action could be taken to fulfill the promise made in the early 1940s. The local action was again that of leadership. Just as Senator Taft, Senator Sparkman, and Representative Rains were the triage that influenced the enactment of the Housing Act of 1949, there was a triage at the local level that made a difference. Without question, the strong leadership role of the Cooke-Darden-Twohy trio that controlled the five-member council through their election in 1946 led to Norfolk's becoming the first city in the United States to undertake a redevelopment program under the 1949 Housing Act.

There were similarities in the efforts at the national and local levels in the 1940s. Both levels of government were influenced by politics in pursuing aggressive action to eliminate slums and provide housing for low-income families. Yet, the Federal Government was still trying to overcome the potent lobby of the housing, savings and loans, Southern Democrats and Republicans who fought the passage of a housing bill, particularly one with public housing provisions. Norfolk had been able to deal with the real estate opposition. Its problem in the mid-1940s was control of City Hall to achieve a more effective delivery of public services in the City. The victory by progressive civic leaders and the appointment

by them of one of the nation's most renown city managers, C. A. Harrell, led to a planning approach to local government problems that was continuing in the mid-1980s.

Critics contend that slum clearance and public housing legislation of the 1930s had little positive impact on the revitalization of downtowns in the infancy of the legislation. They say the legislation was narrowly conceived and dealt with residential slums. In those instances in which slums were cleared and the same land reused for public housing, the contention was that attention was not given to the planning considerations involved in the location of the housing.

The criticism that attention was not given by Norfolk to planning considerations in providing housing in suitable locations cannot be made. The facts show that Norfolk anticipated the displacements that were to follow in the 1950s. The construction of housing in a decent living environment took place before families were required to relocate. Low density public housing for displaced families was built in desirable new close-in residential locations that were near public transportation. High-rise projects for families were avoided.

Norfolk's public housing programs during the 1940s intervened to prevent Burgess's model of concentric zones from prevailing. The predominate pattern of "slums" and "bad lands" as occurred at the city's core under the concentric zone concept was disturbed. What followed was a

sector model as described by Homer Hoyt. Housing was built along established lines of travel in the vicinity of highgrade residential areas. The Authority's program of public housing in the 1940s bent the direction of residential growth in anticipation of the needs that would follow in the 1950s.

Urban Renewal, 1949 - 1974. The evidence suggests that from 1949 to 1974, the period during which the Urban Renewal Program was an important Federal program, downtown revitalization had not occurred nationally. The criticism that the Urban Renewal Program was ineffective resulted in its abandonment. Although it had been argued that the evaluation of the Urban Renewal Program was done prematurely, the perception that the program's effect was demolition and destruction led to its demise.

When viewed from the mid-1980s, a different perspective emerged. The "bulldozer" image remained nationally, but Norfolk's experience showed that the Urban Renewal Program had been administered effectively at the local level and yielded social and economic benefits.

In retrospect, the decisions made during the era of public housing construction and slum clearance in downtown Norfolk had both positive and negative aspects. The positive features were that public housing was built, families were relocated satisfactorily and slums were cleared. This was consistent with the national concern expressed with the problem of slums and blight at the time of the enactment of the Housing Act of 1949. The negative

aspects of the decision made from 1949 to 1974 were that public housing units for more than 1,500 families were built so near to the CBD that future economic growth of Downtown Norfolk was deterred. Whether this criticism is a valid one is subject to question. To build one-half of the 3,000 public housing unit allocation on the perimeter of the CBD was a political decision influenced by Mayor Cooke, because of the exigencies at the time.

The conclusion can be drawn that the location of public housing next to the CBD has been positive because of the availability of workers for some jobs in downtown requiring low skills. It is apparent to those who knew the conditions in downtown Norfolk during the 1950s that public housing was an improvement to the rotting structures and overcrowded conditions that existed prior to redevelopment.

The literature suggests, under central place theory, that the downtown should be a place where specialized functions requiring high intensity of land use are located. The argument by the economists that less intensive land use, such as garden apartments for families of low income is an inefficient use of land, is a valid one. The realization, however, that a downtown serves a social as well as economic function cannot be overlooked. Burgess's model that explained that people have a preference for the "second zone" in the central city does not mean that this zone must remain one of squalor. Although Burgess's find-

ings were that the second zones became submerged regions of poverty, Norfolk's experience has shown compatibility between activities of families living in public housing and other activities in downtown.

The data show that the benefits of the Urban Renewal Program to Norfolk exceeded the public costs when viewed comprehensively over the period from 1951 to 1985. The word "comprehensively" is used with care. The Urban Renewal Program required a Development Plan that was adopted by the Norfolk Redevelopment and Housing Authority, approved by the City Planning Commission and the City Council. The Federal Government's Workable Program of the mid-1950s imposed certain requirements that included citizen participation. The finding had to be made by the City Council that the Redevelopment Plan was consistent with the City's General Plan.

The Urban Renewal Program sought the elimination of slums and blight. In Norfolk, the major emphasis of the program was to eliminate the blighted conditions adjoining the Central Business District before clearing the blight in the CBD. Norfolk's approach to the revitalization of Downtown was not piecemeal, but was made on the basis of a comprehensive plan undertaken in 1949. Looking back over the period during which the Urban Renewal Program was the dominant Federal program of urban revitalization, the following conclusions can be drawn.

1. That Norfolk's downtown slums were deplorable.

On the basis of newspaper accounts and data on the structural characteristics of buildings in Downtown, the revitalization of the CBD could only occur through clearance.

2. The process of relocating families and businesses was done in accordance with a multi-stage plan. Public housing was provided in advance of clearance to provide a relocation resource for families. Industrial and commercial sites were made available to firms that needed to move to more adequate quarters.
3. A crowded CBD with poor circulation was transformed to an area that provided good access and circulation. Motorists bound for Downtown were able to find a place to park after redevelopment.
4. Property values that were once shrinking began to increase. A shopping center, office buildings and hotels were built in Downtown because a better environment was created in which they could prosper.
5. Tawdry East Main Street, with its bars, babes and burlesque, was transformed to a mall, park and activity center that was more in keeping with the image the Master Plan for the CBD tried to create.
6. Norfolk's new City Hall, Courts Buildings and

Jail were arranged on a broad plaza with ample space for pedestrians. A reflecting pool, a stand of flag spires and formal grouping of trees provided an imposing extension of the Downtown financial center that was both functional and attractive.

The above examples illustrate the results of redevelopment in Downtown Norfolk. By 1985, a public investment of approximately \$100 million had been made in Downtown Norfolk for those activities which sought to stimulate private investment. In 1979-1980, the total assessment had reached \$44 million and five years later, in 1984-1985, had almost tripled to \$117.5 million. By 1990, private investment is conservatively estimated to exceed \$250 million. Hence, a conclusion can easily be drawn that the redevelopment of Downtown Norfolk not only improved social conditions, but provided the opportunity for families to move from deplorable slum conditions that befouled the city for generations to decent, safe and sanitary housing.

That the Urban Renewal Program succeeded in Norfolk is in conflict with the findings in the literature which have held that urban renewal has been a failure. An argument made by those concluding that urban renewal was a failure is that the program was too expensive. The facts have shown that in Norfolk's case, the benefits have exceeded the costs. An important reason why Norfolk's

experience refutes the findings of other research is that urban renewal was allowed to run its full course in Norfolk's CBD. Studies that described the failure of urban renewal had premature cut-off dates. It would be expected that the cost of urban renewal would be greater than the benefits when the impact is measured at the time buildings are demolished and no new development has taken place.

Norfolk was able to reach its advanced stage of downtown redevelopment because of the impetus of the Urban Renewal Program. Norfolk's new Civic Center, Scope, and the office buildings in the Financial Center were constructed during the urban redevelopment stage.

The visual and functional organization of the Downtown environment began to take shape during the Urban Renewal phase. It was through the location of Waterside Drive, St. Paul's Boulevard and Brambleton Avenue that the framework of the CBD was established. Using the Confederate Monument, the churches, and historic buildings, the City of Norfolk and the Norfolk Redevelopment and Housing Authority were able to create the links between the older parts of the CBD and the new. Hence, the objectives of urban design began to be reached during the stage of Urban Renewal.

The tax revenues and population declined during the early stages of urban renewal. This is consistent with the findings of Martin Anderson and earlier writers on the

effectiveness of urban renewal. It was not until the Urban Renewal Program was discontinued that the benefits became evident.

Whether the Federal Urban Renewal Program has been effective is beyond the scope of this study. It can be reasoned, however, the program worked in Norfolk's CBD. In retrospect, it is probably the best program to use in a CBD that is experiencing problems of blight and slums beyond the reach of other public programs.

General Revenue Sharing, 1972-1985. The General Revenue Sharing Program was first introduced into the City of Norfolk's budget in Fiscal Year 1973-74.¹ The program was viewed as one to assist the City of Norfolk with its operating and capital expenditures. For example, Revenue Sharing helped "to modernize the badly outdated fleet of city vehicles and to permit catch-up maintenance in antiquated recreation facilities."² By 1983, the City Manager had greatly reduced the support for the Operating Budget from Revenue Sharing Fund monies.³

The significance of reviewing these facts about the expenditure of Revenue Sharing funds is to note that only a nominal amount of funds were devoted to Downtown redevelopment. Through Fiscal Year 1982, the total program for the City of Norfolk amounted to \$88,666.457.⁴ Of that amount \$6,504,000 had been expended on Downtown Norfolk, or about 7 percent.⁵

A conclusion drawn from Norfolk's experience with the General Revenue Sharing Program is that during the 1970s and 1980s less money was required for new infrastructure than would otherwise have been required without earlier site improvements under the Urban Renewal Program. By not spending money on infrastructure maintenance, the City of Norfolk was able to divert these funds throughout the City. It can be reasoned that the impact of the General Revenue Sharing Program on Downtown Norfolk was insignificant from the standpoint of direct outlays. It cannot be generalized that the GRS program affected other cities similarly. In those cities that made heavy reinvestment under the Urban Renewal Program, it is likely that they used the GRS program to augment City revenues for operating expenses.

Community Development Block Grant, 1974-1985. The Community Development Block Grant program replaced the categorical programs in 1974 at a time when Downtown Norfolk no longer had the stigma of blight, but was experiencing revitalization. Cities beginning downtown redevelopment in the mid-1980s found it difficult to undertake massive programs of blight elimination with declining Federal funds. The proliferation of Federal funds under the CDBG program was in contrast to the categorical Urban Renewal Program which had provided liberal funding to Norfolk. The decline from a program level of funding from \$17.8 million in each of the three years following CDBG I in

Fiscal Year 1976 was in sharp contrast to a level of \$5.9 million in Fiscal Year 1980 and each of the years that followed through Fiscal Year 1985 (CDBG X).

The expenditure of \$25.6 million in CDBG funds in Downtown Norfolk for the first ten years of the program gives an indication of the need for the program and the priority it received from the City Council in comparison to the needs in other areas of the city.⁶

This amount represents approximately 21.5 percent of the \$118.8 million spent under the CDBG program from 1975-76 to 1984-1985.⁷ Fortunately, by the mid-1970s, Downtown Norfolk had reached a plateau of development that minimized the need for clearance and afforded the opportunity for conservation. The CDBG program for Downtown then became identified with the Downtown West Redevelopment and Conservation project. CDBG funding for Downtown was directed to conservation.

In reviewing the impact of public investment in the Downtown West project, it is too soon to know the actual amount of private investment that is likely to occur. Indications are that the private reinvestment will exceed the public investment by a larger ratio than for the older portion of Downtown identified as R-8 and R-9 under the Urban Renewal Program. But to draw the conclusion that conservation represents a wiser use of public funds is erroneous. Where blighted conditions require clearance and larger public investment, the long term social and

economic benefits are greater when the accelerating costs of a deteriorated inner city are taken into consideration. Urban Development Action Grant, 1974-1985. An evaluation of the Urban Development Action Grant program has been documented.⁸ Among the benefits realized are that UDAG projects have generated more private dollars than had been anticipated. According to an impact evaluation made by the Department of Housing and Urban Development in 1982, the finding was made that:

It was anticipated that for each dollar of UDAG given to a project, 6.3 private dollars would be invested; actually, the number of discounted private dollars per UDAG dollar is 5.5.⁹

Although the HUD evaluation of the UDAG program was favorable, there is some doubt as to whether UDAG can be the only successor program to Urban Renewal, CDBG, General Revenue Sharing and other programs. Planning theory mandates that an area be examined more comprehensively than on a parcel by parcel basis. Hence, UDAG should be a component of a larger planning and implementation effort.

The fact that not a single UDAG project was funded in Norfolk's Downtown is an indication that its use was not considered as appropriate as other programs in the revitalization of the CBD. The apparent reason for considering its use inappropriate was the excessive bureaucratic wrangling by the HUD staff and a failure at the local level to take advantage of the benefits that the UDAG program offered. As approval was received by Norfolk on all four UDAGs submitted for development within the

CBD, this is evidence that the UDAG program was considered a preferred alternative initially. The fact that approval by HUD did not result in funding indicates a breakdown in the system. The breakdown caused some applicants to inform HUD that they were no longer interested in pursuing a UDAG.

From the interview results, conclusions were made that there was low participation in the UDAG program in Norfolk because of the difficulties in obtaining adequate private sector involvement and financing. Staff members of the Norfolk Redevelopment Housing Authority understood UDAG and were able to prepare a UDAG application. Unfortunately, applicants requesting UDAG funding were unable to obtain the non-UDAG financing needed to complement the requested UDAG funds. The fact that UDAG funds were not used did not mean the UDAG program was ineffective in Norfolk. In some cases, the unwillingness of the developer to provide the written required financial commitment was a major financial problem. Had these applicants been able to utilize the UDAG program, it is highly probable that additional jobs and taxes would have been generated.

Another conclusion to be drawn from the low participation in the UDAG program is that Norfolk's downtown redevelopment program had been successful. No longer did the private sector have to depend on public subsidies. The incentives offered by previous public investment had become effective. Developers could see in the 1980s that

the attention given to public investment and urban design by the City of Norfolk and the Norfolk Redevelopment and Housing Authority was paying off. The public open spaces along the waterfront were providing water views to shoppers, diners and promenaders that meant confidence in Downtown Norfolk. In spite of the indications that the Cousteau Ocean Center would not be built, the "critical mass" had been reached. The Waterside, new condominiums and other developments had been sufficient to overcome the risk to developers. Therefore, it can be concluded that the market had been created and UDAG's value had become minimal.

Tax Exempt Bonds, 1977-1985. Tax exempt bonds made a major difference in the revitalization of Downtown Norfolk. Although the Downtown West Redevelopment and Conservation Project stimulated investment, the advantages offered by tax exempt bonds made private investment more attractive. The continued use of tax exempt bonds for Downtown revitalization is not likely if Congress revises the Internal Revenue Code to meet the growing pressure to reduce Federal deficits. This means that cities must rely more heavily on CDBG, UDAG and General Revenue Sharing. But with a 10 percent cut in CDBG to \$3.124 billion, a 25 percent cut in UDAG to \$330 million, and 8.36 percent cut in General Revenue Sharing anticipated for the Fiscal Year 1986 Federal Budget, the options became increasingly limited.¹⁰ If the legislation before Congress in 1985 is

enacted that proposes not only to severely reduce tax exempt bonds but also to impose significant limitations on the authority of cities to issue traditional public purpose bonds, then the chances of downtowns' being revitalized through local revenue sources are indeed small.

Capital Improvement Program, 1970-1985. The Capital Improvement Program (CIP) has become increasingly important to the revitalization of downtowns because of the elimination or reduction of Federal programs. Although the City of Norfolk's Capital Improvement Program has represented about one-fifth of the public investment in Downtown's redevelopment, the outlook for the CIP's use in the future is threatened by tax reform legislation. In prior years, public purpose general obligation and revenue bonds have been good investments because of their tax-free status. If the proposed Federal legislation to define bonds issued by a city as "non-governmental" is enacted, public purpose bonds and private purpose bonds must compete in the market place. The effect of this competition is that municipal bonds will carry a higher risk and therefore much higher cost because they might be taxable to the holder. Hence, the options available to cities to make investments in infrastructure and revitalization become more limited. Additional research is needed on the impact that major cutbacks in Federal funding to cities will have on urban revitalization.

Indicators for Measuring Effectiveness of Downtown Revitalization

The review of the literature and Norfolk's experience in the revitalization of its Downtown have shown that the indicators for measuring the effectiveness of Downtown revitalization is a function of the goals and objectives a city sets for itself. What may be considered a success in one city may not be a success in another city. In Norfolk's case, an effective revitalization was the elimination of slums and blight when compared to the goals the City set in adopting the Harrison, Ballard and Allen Plan and the purposes of the Housing Act of 1949. Other cities with less blight could be successful with the revitalization of their cities through the rehabilitation of buildings. In the latter case, the public investment would be smaller, yet the net private investment could be greater.

Concluding from Norfolk's experience with its Downtown revitalization program of fifty years, it can be stated that the indicator that was the most valid in measuring effectiveness was the change in assessed valuation of properties. An examination of the other indicators shows that most of them resulted in the creation of value in Downtown. The economic indicator showing the largest decrease since 1958 was retail sales. The growing Downtown office employment and increased middle- and upper-income interest in close-to-downtown housing is reversing the declining trend of retail sales. Tourists, conventions, and The Waterside have increased Downtown retail sales. Future growth in the residential

market, hotel rooms and meeting facilities are expected to generate significant buying power.

Retailing in the southern sectors of the Central Business District should increase because of the attractive pedestrian access to the edges of the Elizabeth River. Due to public policy, the waterfront is being perceived as belonging to the public. Hence, the success of The Waterside, new office buildings, additional hotel rooms, new meeting facilities, and greater participation by the public will create a demand for additional retail space in the vicinity of Main Street.

The indicators that have measured the revitalization of Downtown Norfolk have been collective. The synergism that has resulted from the interaction of various indicators has caused the revitalization. Not only has the public investment in Downtown been the cause, but as seen over the life of Norfolk's redevelopment efforts, other factors have been important. Among these have been accessibility to Downtown, the Medical School that developed out of the Atlantic City Redevelopment Project of the mid-1950s, the restoration of old buildings and the construction of new housing in Ghent Square and vicinity.

Other factors include the Chrysler Museum which has been acclaimed as one of the best in the country. The cultural and artistic activities such as ballet and theatre have had an impact. Old Dominion University, Norfolk State University, the waterfront parks, and other

water oriented visitor attractions have brought vitality to Downtown. It has been a combination of public and private efforts that have contributed to various measurement indicators leading to the success of Downtown Norfolk.

In Norfolk there has been a uniform answer and general agreement among people of the reasons for the success of Downtown's revitalization. It has been due to public investment (primarily by the Federal Government), sound planning, favorable economic conditions, and dedicated efforts on the part of civic leaders and public officials to implement a plan that has continually changed in the evolution of Norfolk's revitalization.

Table 23 summarizes qualitatively the effects of Federal, State and local programs on selected objectives in the revitalization of Downtown Norfolk. The summary uses the research question as the structure for bringing closure to the study. A rating scale from 0 to 5 has been provided to rank the effect of various programs on Downtown revitalization. The objectives have been weighted equally, however, the purposes of all programs are not the same. For example, the focus on the redevelopment program that began in 1949 was slum clearance and redevelopment. It was not until 1954 that the Federal Government provided more options for rehabilitating areas and undertaking commercial redevelopment activities. Similarly, the purpose of the State Highway Program was to improve access and circulation and not reduce blight. If viewed as a

TABLE 23
Effect of Federal, State and Local Programs on Revitalization
of Downtown Norfolk
Summary of Programs, 1949 - 1985

<u>Objectives</u>	(1) Urban Renewal (1949-1974)	(2) General Revenue Sharing (1972-1985)	(3) Community Development Block Grant (1974-1985)	(4) Urban Development Action Grant (1977-1985)	(5) Capital Improvement Program (1970-1985)	(6) State Highway Program (1951-1973)	(7) Tax-Exempt Program (1977-1985)
-To reduce blight and prevent its spread	5	0	3	0	2	2	1
-To improve urban design and land use	5	1	3	0	3	2	1
-To improve access and circulation	5	1	2	0	4	5	0
-To attract middle income households into Downtown	4	0	3	0	2	2	2
-To strengthen economy by encouraging private investment	5	1	3	0	2	2	3
-To increase employment	5	1	3	0	2	3	3
-To increase convention and tourism	5	1	3	0	3	2	2
-To increase tax revenues	5	1	2	0	3	3	2
Rank Order of Programs	5	1	3	0	3	3	2

Ranking Scale: 0 = Lowest Impact; 5 = Highest Impact

continuum from slum clearance to the Capital Improvement Program, the emphasis changed in the latter program to one that was more concerned with the condition of the infrastructure. The summary is a qualitative evaluation by the author of the selected variables considered to have the greatest impact on Downtown revitalization. It is noted that the Urban Renewal Program has had the highest impact on the revitalization of the CBD.

Table 24 analyzes the impact of public investment on revitalization of Downtown Norfolk by examining quantitatively the changes that have occurred in selected indicators. It is noted that the indicators showing the highest percentage increase are median family income, tax revenues and assessed valuation. Percentage decreases are noted in population, number of households and retail sales. As previously noted in Tables 21 and 22, more recent data are becoming available that indicate positive trends in population and retail sales. For example, occupancy is not shown for new townhouses and the Freemason Harbour Place condominium projects. The implementation of the multi-use project that has begun in Freemason Harbour includes a new high-rise residential tower and other new waterfront housing.

Retail sales have shown an increase since 1982. Table 24 does not reflect the merchant sales in The Waterside in 1985 which were \$21.8 million. Other sales not shown are those in the Selden and Monticello Arcades and the

TABLE 24

Impact of Public Investment on Revitalization of Downtown Norfolk
1950 - 1985
Summary of Indicators

<u>INDICATOR</u>	<u>1950</u>	<u>1958</u>	<u>1960</u>	<u>1967</u>	<u>1970</u>	<u>1972</u>	<u>1979</u>	<u>1980</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>Cumulative Change</u>	
													<u>From (Yr.) - To (Yr.)</u>	<u>(Number) (Percent)</u>
<u>Demographic</u>														
Population	1,626	-	2,705	-	1,464	-	-	1,230	-	-	969	-	<u>1950-1984</u>	
													(657)	(40.4)
Households	-	-	1,182	-	759	-	-	545	-	-	-	-	<u>1960-1980</u>	
													(637)	(53.9)
Median Family Income	-	-	\$2,324	-	\$12,828	-	-	\$26,083	-	-	-	-	<u>1960-1980</u>	
													\$23,759	1,022
Employees	-	-	-	-	-	-	-	17,600	-	-	-	19,100	<u>1980-1985</u>	
													1,500	8.5
<u>Economic (In Millions)</u>													<u>1958-1982</u>	
Retail Sales	-	\$92.3	-	\$78.1	-	\$90.6	-	-	\$80.0	-	-	-	(\$12.3)	(13.3)
Office Building Leasable Area (Sq.Ft.)	-	-	-	-	-	-	-	-	1.91	-	-	2.38	.47	24.7
Conventions, Tourism & Entertainment	-	-	-	-	-	-	-	\$13.7	-	\$20.5	-	-	<u>1980-1983</u>	
													\$ 6.8	49.7
Bank Deposits	-	-	-	-	-	-	-	\$975	-	\$1251.4	-	-	<u>1980-1983</u>	
													\$276.2	28.3
Assessed Valuation	-	-	-	-	-	-	\$44.1	-	-	-	-	\$156.2	<u>1979-1985</u>	
													\$112.1	254.1
Tax Revenues	-	-	-	-	\$2.0	-	-	-	-	-	\$9.0	-	<u>1970-1984</u>	
													\$7.0	351.1

NOTE: The physical indicators of design and land use; access and circulation; and parking are more qualitative indicators that are discussed in other parts of this study.

South Granby sector. The Waterside II expansion on the South Waterfront sector will increase retail sales as will the small retail shops that will be included in new office buildings, new hotels and parking-garages.

Although office building activity shows an increase of only 25 percent since 1982, current activity is increasing appreciably the leasable area for office space. Office space development is expanding with the nine-story addition to the Virginia World Trade Center, the 26-story Dominion Tower and the 11-story Town Point Center. These additions are not reflected in Table 24.

Conventions, tourism and entertainment are expected to increase in the future, although the 50 percent increase over the period from 1980 to 1983 is impressive. The construction of additional hotels and meeting facilities will enable Norfolk to reach larger tourist, business and convention markets. As Norfolk's reputation grows as a center for recreational, entertainment and cultural activities, visitors to Downtown Norfolk will increase. The public's perception of the R-8 sector as an area of historical significance has yet to be fully appreciated.

Recommendations

The recommendations which follow suggest the types of efforts that must be made as Norfolk concludes the implementation of its program of downtown urban revitalization. The recommendations relate to three major areas. These are:

1. Funding
2. Administration
3. Innovativeness

Funding. The Federal programs that have been discussed in this study can no longer be depended upon with any degree of certainty. Fortunately, the Norfolk Redevelopment and Housing Authority and the City of Norfolk had the wisdom in 1949 to understand the significance of the problems confronting the City and the courage to take drastic action to overcome the problems. Substantial Federal aid was an important incentive for the action that was taken. The comparatively small outlay of City funds since 1949 enabled the redevelopment programs to be accepted with relative ease. The civic and political leadership were able to arouse the public interest and gain an understanding of the necessity for thinking and planning in large terms. Sound administration facilitated the process of revitalization.

In the remainder of the 1980s and 1990s, many of the problems originally faced in the development process will have been corrected. The process of land acquisition and

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clearance will become less important. The development process will become the most essential activity in the implementation of the Downtown program. Not only must attractive plans for development be prepared, but a systematic development strategy must be followed. In prior years, local leadership was able to announce imaginative and dramatic projects at frequent intervals because they knew that funds were available and the benefits were visible to the citizens of Norfolk. But in the future, the funding will be reduced from all sources and the support from the citizens will not be as forthcoming. The development process will become difficult because the timing of development will depend on influences outside the Authority's control. Although market and other forces are likely to be more controlling in the future, the lack of subsidies for private development will add to the problem.

As the City's Capital Improvement Program will be the essential form of funding for improvements that will stimulate private development, the program should be used wisely and properly managed. Unless local funds are used in a manner that will induce private development, the development strategy could fail and harm would be done to the final implementation efforts.

Norfolk's Downtown revitalization has shown that in time, public expenditures are more than recaptured by decreased City operating costs and increased taxes. The

development strategy in the future must continue to show how subsidized private development can benefit the City. For those communities that have not progressed to Norfolk's level of implementation in Downtown revitalization, the options are few without substantial Federal aid. Administration. Redevelopment efforts in Norfolk have been undertaken traditionally by the Norfolk Redevelopment and Housing Authority. As a separate political subdivision of the Commonwealth of Virginia, the Authority has maintained an independent status with broad policy-making authority. Although appointed by and responsible to the Norfolk City Council, the Authority's Board of Commissioners has traditionally devoted considerable effort for no monetary remuneration to make decisions calculated to be in the best interest of the City. The organizational arrangement between the Authority and the City of Norfolk has worked well as judged by the performance of these two bodies from 1940 through 1985.

The transition from the Urban Renewal Program to the Community Development Block Grant Program caused a change in the administration of Norfolk's redevelopment program. For more than 25 years, the Authority's relations were directly with the Federal Government. Although the City Council had to give its approval to redevelopment projects before they were undertaken, a unanimous vote by the City Council on projects was customary. But with the integration of categorical grants into the CDBG in 1974, the City

Council and City Administration began to exercise more control. In fact, in the mid-1970s, some members of the Norfolk City Council made an effort to bring the redevelopment program closer to City Hall. Viewed by the media at the time as more of "political power-grabbing than civic concern," the effort was short-lived. The relationship between the City of Norfolk and the Authority has been an amicable one, in spite of the competitiveness that emerges from time to time.

The recommendation to be made from this discussion is that the pattern of independence, but cooperation, needs to continue. Under Virginia Law, the City of Norfolk can condemn land only for the purposes of making public improvements, while a housing authority can, subject to concurrence by the local governing body, take land for redevelopment for private and public uses. As the General Assembly of Virginia has shown no inclination to give units of local government specialized condemnation powers exercised by redevelopment and housing authorities, it is in the best interest of cities not to tamper with the law. Where it is found to be in the best interest of a city to avoid actions that are clearly against the public will, a City Council can act as the redevelopment and housing authority.

As the individual rather than the organizational technicalities and legal mechanisms count more in the final analysis, it is important that the tradition of

expertise, judgment and cooperative spirit of individuals dominate. In the period prior to the mid-1960s, fewer individuals were able to control the redevelopment of downtown than was true in 1985. Business, civic and political leaders worked together because they had a clear understanding of what needed to be done. In recent years, it has been necessary to deal with political problems that make the process of redeveloping a central business district more difficult. Norfolk has a national reputation for achievement in the field of redeveloping its downtown and central city. Whether this reputation will be forgotten by those searching for more innovative ways to introduce stronger democratic controls and partisan interests into the redevelopment process is a concern that must be reasoned with in the future.

Innovativeness. Assuming that funds will not be available in the future to make the types of public investments that have been made by Norfolk in Downtown, the question becomes that of finding innovative ways to achieve Downtown's ultimate potential. As the effort will require broad participation and new ideas, suggestions are offered which focus on this approach.

An example of innovativeness relates to the development of The Waterside. The Waterside festival marketplace has been a major attraction for local residents, tourists and other visitors to the City. The financial arrangement whereby the Authority retained ownership of the site to

reduce the developer's outlay of funds was an innovative approach. The leasing of the land for The Waterside suggests ideas for future developments. In spite of The Waterside's success, there are skeptics that disagree with the way in which it was financed. As agreements are reached to finance Waterside II, new approaches are needed which will bring even greater benefits to the public and private sectors.

The development of R-8 or Norfolk Center will require an innovative approach. One of the reasons the land has not been developed in the past is because agreement could not be reached on how it should be developed. Some have argued that the land should be developed with a monumental edifice as its centerpiece. They disagree with those who would widen Market Street and relocate Bank Street to provide a focal point around which large office buildings and supporting retail uses would locate. The issue is whether there should be one major development or a mixture of uses appropriately located within a setting that is esthetically pleasing to pedestrians and motorists. The supporters of buildings with a mixture of occupancies maintain that such development with tree-lined streets would blend into other developments and not be an island that turns its back on the other parts of Downtown. The Norfolk Gardens proposal of the 1970s is cited as an example of the type of development that should not be built.

Whatever the decision, it is an important policy question. Once the infrastructure is in place, the decision is made. An unreasonable delay in the land's development results in the loss of tax revenues which are becoming increasingly important. Reasonable people hold different opinions on which alternative will have the greatest impact on Norfolk's revitalization.

Other areas where innovativeness will become important relate to the type of leadership Norfolk citizens will select to direct the revitalization of Downtown Norfolk in the future. It has been shown in this case study that not only public investment, but the leadership provided by the city managers, executive directors of the Authority, members of the City Council, and members of the Board of Commissioners of the Authority have made a difference. The diverse interests of members of the City Council and the Authority's Board of Commissioners could cause other areas of Norfolk to receive greater priority than the CBD. If past experience is a useful guide, then investment will continue to be made in Downtown to the extent necessary because the benefits will accrue to all the citizens of Norfolk.

Another recommendation relates to the diversified participation that will be required as Downtown Norfolk's revitalization reaches its peak. This participation extends from the City's Department of Development to organizations such as Festevents. Each has a particular focus. The Authority will have an important role in providing the

vision and in overseeing the development of various uses contemplated in Downtown, such as Freemason Harbour and the Norfolk Center. But ideas are needed for taking advantage of the waterfront and developing a unifying theme for Downtown Norfolk.

Norfolk Festevents Ltd. has been effective with its programs of bringing people Downtown. The Downtown Norfolk Development Corporation (DNDC) has been able to involve many individuals who have striven to enhance the importance of Downtown to the community. Although efforts to revitalize Granby Mall have not been successful, the work of the DNDC has prevented the Mall from becoming a greater negative influence than it has been. Returning one-way southbound traffic to Granby Mall is expected to help in the revitalization efforts. Care must be taken not to overlook the importance of the pedestrian environment in the process. Attractive sidewalks, facades, and design are vital to the creation of a fabric of urban experience that works wells at the street level.

The City of Norfolk, the Norfolk Redevelopment and Housing Authority, the Greater Norfolk Corporation, the Norfolk Convention and Visitors Bureau, the Chamber of Commerce, the churches, the property owners, the merchants, the banks, the hotels and others have a vested interest in Downtown Norfolk. A continued strong commitment to Downtown Norfolk is needed from these public and private organizations. The interests of all must combine

to create a dynamic undertaking and synergism that will continue to accelerate the revitalization of Downtown Norfolk and adjoining communities.

Perspectives for the Future

In 1949, the objective of urban redevelopment was to eliminate slums and blight. Little attention was given to the reuse of the land. Action was needed to overcome the cancerous growth of filth, crime, and deleterious land uses that had overtaken Norfolk's core. While historic buildings were preserved and other structures were rehabilitated after the initial clearance was accomplished, it was concluded that revitalization could never have occurred in the twentieth century without first eliminating the slums and blight in downtown.

In the late 1960s and 1970s, the interest of public officials was to revitalize downtown by appealing to developers, merchants and shoppers. The construction of shopping centers in the suburban malls had placed downtowns at a competitive disadvantage. Recognizing the decline in retail sales in downtown, public officials had to look for new strategies to lure people to the heart of the central city. These strategies took the form of various types of incentives ranging from free parking to heavy public investment in public infrastructure. In some cases, valuable land was sold at a small percentage of what the cost was to acquire downtown sites originally.

Enclosed malls had to be more than the suburban mall. Interesting architecture and new environments had to be created.

Using fifty years of experience as background, what are the future implications for the various strategies being used by Norfolk in the revitalization of its Downtown? Can Norfolk's experience be a model for other cities? Do location, climate, demography and other considerations make a difference? Some perspectives on what has worked in the past and what is likely to work in the future in achieving a revitalized Downtown Norfolk are offered below:

1. The trend of sound local government in Norfolk, which has prospered under strong civic leadership, is likely to continue. Although more diverse interests are represented on the City Council, a comprehensive and strategic planning approach to Downtown development is accepted as essential.
2. Norfolk has found it to be important to utilize the official Downtown Plan that was prepared by the City's Department of City Planning with the assistance of numerous public and private organizations concerned about Downtown Norfolk. The published plan has provided an excellent conceptual framework for Downtown's growth and development. With the accelerated development that is taking place in Downtown Norfolk, refinements are

needed in the Plan to make it an even more valuable document. Critical land areas that are involved include the R-8 tract, Freemason Harbour, and the Main Street corridor between Boush and Bank Streets. Central place theory suggests that there is considerable interdependence among those areas and that they should be developed simultaneously to the extent possible.

3. Federal funds have made it possible for Norfolk to achieve a high level of accomplishment that would not have been possible without such funding. Norfolk can no longer depend on Federal funds but must rely on local revenue resources in the future. An important future implication of this policy is that Norfolk must set reasonable and achievable development goals for the foreseeable future that combine public and private investment. Although public investment of some \$50 million may be required in the next five years for Downtown development, it is reasonable to assume that this amount of public funding will generate over \$200 million in private investment. The strong market in Downtown Norfolk should allow the Norfolk Redevelopment and Housing Authority and the City of Norfolk to exact more amenities from the private sector as a condition for the public investment. Through proper growth

management and good urban design, the public sector and private enterprise can benefit.

4. The implications of central place theory and the multiple nuclei concept of growth and development will become more pronounced in the future, despite the apparent conflict in these theories. For example, Norfolk's CBD embraces approximately 411 acres. This is a large CBD by most standards. Rather than expect the CBD to grow as one entity, strong individual sectors will develop. The nature of each sector will cause relationships of mutual interdependence. The perception will be that there are several mini-CBDs in Downtown Norfolk. The future land use sectors that are shown in Figure 10 provide excellent areas for growth. Although minor boundary changes to the sectors will probably be made in the future, a development strategy can be carried out effectively within the CBD frame that gives priority to physical, demographic and economic functions.
5. Downtown Norfolk is likely to increase its importance as a place where people work, meet, shop, live and find pleasure in recreational, entertainment and cultural activities. The central core of Norfolk's Central Business District, referred to as R-8, has yet to be developed. Seen in the mid-1980s as a largely vacant

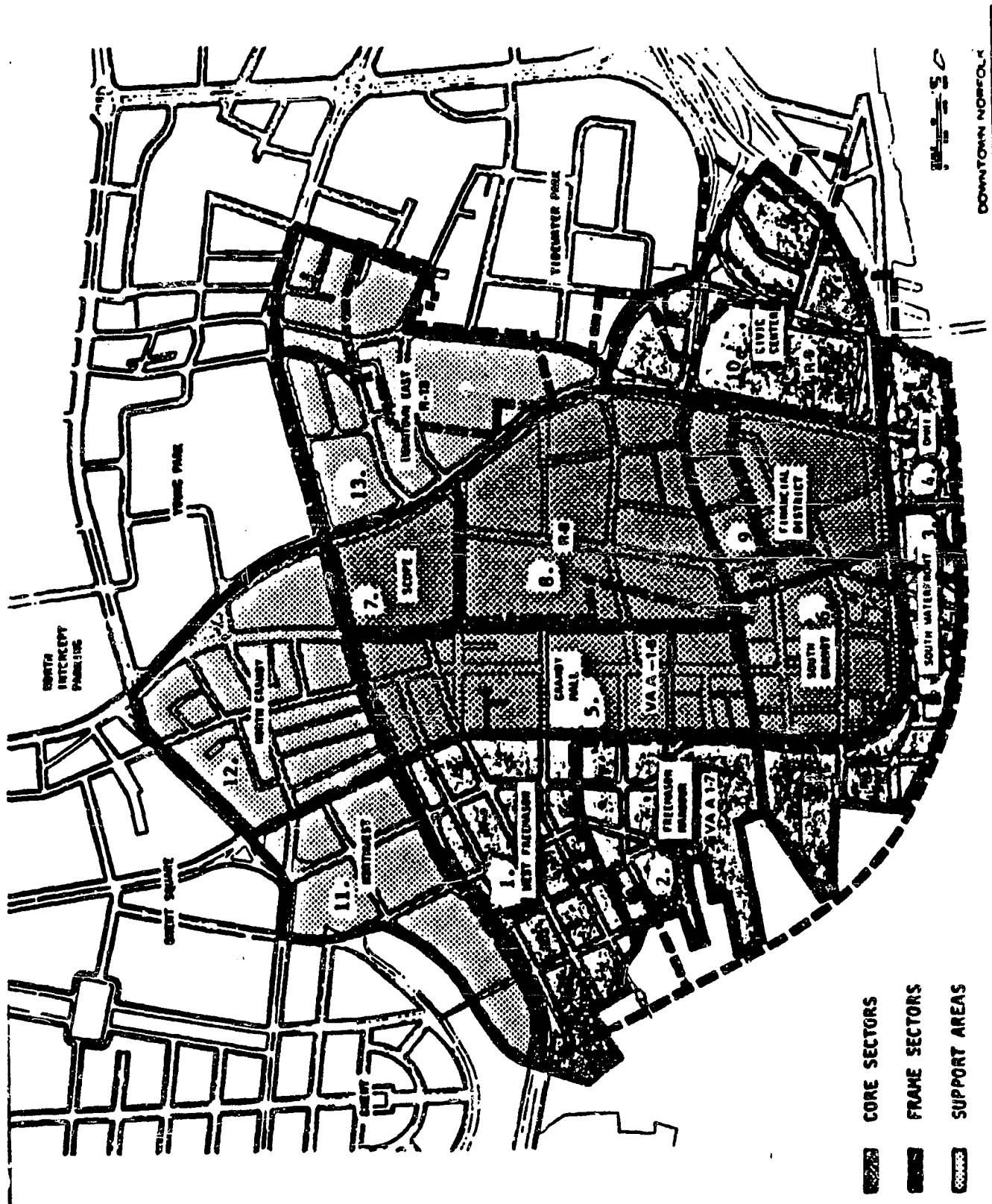


Figure 10. Proposed Land Use Sectors for Downtown Norfolk

tract of land used for surface parking, its development can be the capstone to Downtown Norfolk's revitalization. Central place theory provides an explanation for the R-8 tract to become the Norfolk Center. Experiences of other cities will hasten this decision.¹¹

6. In prior years, streets have been closed to create superblocks. The effect of street closures has been to reduce maintenance costs by the City of Norfolk. Another effect has been to reduce vehicular traffic. In 1985 action was underway to change Granby Mall to Granby Street. The return of vehicular traffic to downtown streets seemed likely to occur. This could include the pedestrian mall in the financial district. The open mall has not worked in Norfolk. Although there is the possibility of creating conflicts between pedestrian and vehicular traffic, the interdependence of the several sectors in the CBD are expected to minimize the problem. The traditional gridiron street pattern is likely to form the structure for Downtown's future development.
7. Hence, the future implications for Downtown Norfolk are likely to be a CBD that is developed in accordance with a carefully crafted development plan that optimizes the use of land. Uses

that are likely to receive priority are office, residential, retail, hotel, recreational, cultural, tourism and entertainment. Public investment in the various land use sectors will be required. These investments are likely to be financed through the City's Capital Improvement Program and include such projects as parking garages, walkways and other waterfront improvements for the use and enjoyment by the public. Each sector will perform a specific function, yet have an important relationship with each other. Strong community support can be expected.

Questions for Future Research

This study has shown that public investment made it possible for Norfolk to eliminate blight and initiate development strategies for the revitalization of its downtown. The impact of downtown redevelopment had become increasingly apparent since December 11, 1951. Within more recent years, Downtown Norfolk has witnessed accelerated development in its south waterfront and financial district sectors. The south waterfront developments have included The Waterside, the waterfront concourse and marina, and Town Point Park. New office buildings have added a large inventory of first class space. Conditions have been created that are favorable to the social and economic well-being of Norfolk's central core. Indicators used for measuring revitalization have clearly shown that progress has exceeded expectations and that the threshold

for even more impressive developments is now being reached. This recitation is offered in order to introduce the research questions that must be answered in the future by cities undergoing the decline of their downtowns. Four research questions are offered for consideration.

1. Is it feasible for cities to adopt and implement redevelopment projects in their CBDs in the future? If so, under what conditions?
2. What new techniques and processes can be discovered to undertake redevelopment in CBDs more equitably and effectively in view of reductions in Federal funding and other limitations placed on cities to increase tax revenues?
3. How can data be collected from cities that can be used effectively in the revitalization of CBDs?
4. What are the political dynamics in those cities that have been more successful than others in the revitalization of their CBDs?

A discussion of these research questions follows in the order listed.

1. This study has concluded that substantial clearance was needed in Norfolk's Downtown in order to remove the blight. More stringent exercise of the police power by Norfolk through code enforcement and other ordinances would have reduced blight, but the form and structure of the CBD would have remained essentially the same. The dilemma faced by cities, therefore, is that the

conditions in the CBD that are a menace to the health, safety, morals and welfare of the residents can be corrected. Yet the adverse environmental influences of deterioration inhibit the most appropriate use of the land unless redevelopment is undertaken. An analogy of the above problem can be cited in Norfolk with the growth and development of two universities, namely, Old Dominion University and Norfolk State University.

Old Dominion University's physical expansion in the 1950s and 1960s was assisted by a redevelopment project that cleared over 37 acres of blight. Although proponents of the University's expansion advocated that the boundaries of the redevelopment project be extended farther south to accommodate growth, the Commonwealth of Virginia was unwilling to finance its one-third share of the cost because of the large capital outlay required. Consequently, incremental development resulted. In the 1980s, the area abutting ODU to the south showed characteristics of blight. By then, ODU had created a market for housing. Duplexes and apartment buildings were being rapidly built. Except for zoning, there were no other urban design controls. Consequently, it was impossible to develop the land in accordance with sound planning. (This is a case of returning to the gridiron street pattern for residential development by default rather than by choice.)

Norfolk State University was bolder in its planning during the 1960s and 1970s. Through the influential lead-

ership referred to in this study, Norfolk State University was able to convince the General Assembly of Virginia and the Governor that a parsimonious approach to development was unwise. In addition, there was public control of land adjoining the University. The NRHA-owned Liberty Park housing development east of Norfolk State University had served its usefulness and could be made available for improving the neighborhood of the University. The temporary housing that was built during World War II for defense workers was in a single NRHA ownership and available for more appropriate reuse that was compatible with the neighborhood and the goals of Norfolk. Hence, greater public control of the adjoining area made a difference in development.

The lesson to be drawn from the comparison between Old Dominion University and Norfolk State University is that an area threatened with blighting influences must be redeveloped on a broad scale with the public sector intervening at an early stage. Delay becomes more costly because of land acquisition and relocation, making proper development almost an impossibility. Therefore, the research question is to determine under what conditions Central Business Districts can be redeveloped on a more comprehensive basis in the future.

2. In the 1930s, various "pump priming" programs were initiated by the Federal Government to improve the nation's welfare. During the past 50 years, numerous in-

novative programs have been tried. The public and private sectors have cooperated through various programs. The public sector has, in some instances, been able to exact greater contributions from the private sector because stronger CBDs have emerged. More reliance has been given to the private sector to revitalize downtowns. The emphasis on public incentives has been waning.

In the 1980s and 1990s more conflict is likely to develop in downtowns among the various land uses. Negative effects are likely to result unless there is close coordination of development. For example, large scale development of office buildings could produce side effects on such uses as housing, transportation, parks, and public facilities. Although development effect on housing in downtowns could be considered positive, a balance must exist among the uses to avoid negative effects. Ultimately developments could have gentrification consequences, however, this is not likely in the foreseeable future for Norfolk. More research is needed, however, on the linkage policies between the public sector and the private sector in the development of downtowns of cities that are experiencing a sustained development boom. New techniques and processes must be discovered for a more equitable and effective revitalization of the CBD.

3. This study has sought to collect data for those

indicators that tend to measure successful downtown revitalization. The loss of Federal aid to cities discourages them from engaging in research that will be used for comparative purposes among cities. The U. S. Census is more selective in the kinds of data it collects and the reports it issues. Yet, research is vital to sound decision making. Reports from the National League of Cities, the U. S. Conference of Mayors, the National Association of Redevelopment and Housing Authorities, the International Downtown Executives Association and other organizations generally present the interests of the clientele they represent. Is there a more effective methodology for collecting data for use in revitalizing CBDs? Additional research could provide answers to this question.

4. This study has described Norfolk's experience in redeveloping its downtown. In Norfolk's case, there were fortuitous circumstances. The city had been neglected and conditions of blight were extensive. Federal funds were available to clear blight and replace infrastructure. Civic leaders rallied to the cause of eradicating blight and redeveloping the central city. An active city government maintained a sustaining interest. Decision making was less controversial with leadership in the hands of a few.

The 1980s are different. The political and social changes that are occurring in society are having an effect

on downtowns. The Federal policy of cutback in funds and state-imposed limitations on ad valorem taxes are restricting the abilities of cities to plan and carry out downtown development goals. In prior years candidates were elected on the platform of downtown redevelopment. In the 1980s candidates are opposing downtown development policies although cases such as Norfolk's have shown that the entire community benefits. Political leaders are identifying with specific areas of a city and the public interest is yielding to special interests. The litigious nature of society has exacerbated the problem of attracting qualified citizens to serve on public bodies. Civic leaders are less inclined to take risks because of threatening law suits.

The issues of the 1980s relating to downtown development are complex and require close examination of the political dynamics that cause policies to work in some cities and not others. The conflict between greater openness in city government and the confidentiality required in negotiating effective public-private partnerships in downtown development present political problems that are deserving of more research.

Postscript

Painting on the canvas of people's imagination what a downtown should be and working to realize and experience the splendor of that art characterizes Norfolk's past and its foreseeable future. Expectations of a fully revitalized Downtown Norfolk are likely to occur as the next stage of a planned development strategy unfolds and commitments by the public and private sectors are made to implement an imaginative and achievable development program.

FOOTNOTES

- 1 City of Norfolk, Five Year Budget Projection, September 1982, p. 14.
- 2 Ibid. 3 Ibid. 4 Ibid.
- 5 City of Norfolk, Development (Capital Improvement Type) Projects, February 1984, p. 10.
- 6 City of Norfolk, Five Year Budget Projection, September 1984, pp. 105-108.
- 7 Ibid.
- 8 U. S. Department of Housing and Urban Development, An Impact Evaluation of the Urban Development Action Grant Program, January 1982, p.. iii.
- 9 Ibid.
- 10 Luther L. Roberts, "House and Senate Reach Agreement on HUD Appropriations Bill," Memorandum to All Members of the National Community Development Association, dated 8 November 1985.
- 11 Thad J. Tercyak, "Marketing Public Land," Urban Land, 45, 2 (February 1986): 14-18. (The word "center" has been used frequently to describe mixed use developments. Successful examples of mixed use developments are Rockefeller Center, built in Manhattan in the 1930s; Charles Center in Baltimore, Maryland; Peachtree Center in Atlanta, Georgia; Embarcadero Center in San Francisco, California; Renaissance Center in Detroit, Michigan; and Cambridge Center in Cambridge, Massachusetts. Other "centers" include Penn Center in Philadelphia, Pennsylvania; Government Center in Boston, Massachusetts; Lloyd Center in Portland, Oregon; and Alamoana Center in Honolulu, Hawaii.)
- 12 Frederick Talbott, "Downtown Parking Looking Up," 9, 4 Tidewater Virginian (April 1986): 65.

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PUBLIC PROGRAMS FOR REVITALIZING CENTRAL BUSINESS DISTRICTS

Title	Purpose
The National Industrial Recovery Act of 1933 (Public Law 73-67)	To finance low-cost and slum clearance housing. This law stimulated the creation of local housing authorities with power to receive federal assistance and to finance, develop, and manage low-income housing.
The United States Housing Act of 1937 (Public Law 75-412)	Established a permanent public housing program and led to the expansion of local housing authorities and their activities.
The Housing Act of 1949 (Public Law 81-171)	Established the national housing policy of "a decent home and a suitable living environment for every American family". In order to implement this broad commitment, it established federal assistance to local communities for slum clearance and redevelopment programs.
The Housing Act of 1954 (Public Law 83-560)	Expanded federal assistance by changing the name of the 1949 "slum clearance and redevelopment programs" to "slum clearance and urban renewal" while extending its focus to the prevention of slums and blight through rehabilitation and conservation planning by local, regional, and state jurisdictions (Section 701) was authorized. New contracts for federal urban renewal assistance could not be approved until the locality had an approved "workable program," including the adopting, administration, and enforcement of housing, zoning, building, and other local codes. This act also authorized a new FHA mortgage insurance program to assist in the development of housing in urban renewal areas (Section 220) and a new FHA insurance program for those displaced by urban renewal (Sections 221 (d) (3) and 221 (d) (4)).

PUBLIC PROGRAMS FOR REVITALIZING CENTRAL BUSINESS DISTRICTS

Title	Purpose
The Housing Amendments of 1955 (Public Law 84-345)	Established a new federal public facilities loan program for a broad range of eligible states, general-purpose local jurisdictions, and local public agencies.
The Housing Act of 1956 (Public Law 94-1020)	Authorized relocation payments to persons and businesses displaced by urban renewal. Also, general Neighborhood Renewal Plans (GNRPs) were authorized for urban renewal.
The Housing Act of 1959 (Public Law 86-372)	Authorized federal grants to assist local communities to prepare Comprehensive Community Renewal Plans (CRPs).
The Housing Act of 1964 (Public Law 88-560)	Authorized Section 312 direct low-interest loans for eligible families to enable them to rehabilitate their residential or business structures.
The Housing Act of 1965 (Public Law 89-4)	Established federal assistance, administered through local public agencies, to provide rehabilitation grants (Section 115) for home repairs and rehabilitation, demolition grants (Section 116) covering the demolition of unsound structures, and federally assisted code enforcement (FACE) Section 117). In this same year, matching federal grants were authorized to local public bodies to finance basic water and sewer facilities and neighborhood facilities. The federal department of Housing and Urban development was also created in 1965.

PUBLIC PROGRAMS FOR REVITALIZING CENTRAL BUSINESS DISTRICTS

Title	Purpose
The Demonstration Cities (later Model Cities) and Metropolitan Development Act of 1966 (Public Law 89-754)	Authorized federal grant and technical assistance to local communities to plan, develop, and carry out comprehensive city programs for rebuilding or restoring entire sections and neighborhoods of slums and blighted areas by the concentrated and coordinated use of all available federal aids, together with local private and government resources.
The 1968 Housing and Urban Development Act (Public Law 90-448)	Authorized the Neighborhood Development Program (NDP) under which urban renewal activities could be carried out in annual increments. It removed the unit restrictions on the number of residential units a local urban renewal agency could acquire and rehabilitate. It required that a majority of housing units in a community's future residentially developed projects be for low-and moderate-income families. This act also created the Section 235 (home ownership) and Section 236 (rental) mortgage insurance program (replacing the Section 221 (d) (3) program) with below-market interest rates down to 1 percent. This action established a 10-year national housing goal of 26 million housing units, including six million housing units, including six million units for low-and moderate-income families.
The Housing and Community Development Act of 1974 (Public Law 93-383)	Consolidated five major "categorical" assistance programs into a new community development block grant (CDBG) program. General purpose state and local governments were authorized as the direct recipients of assistance, and funds were allocated under a formula allocation to eligible communities and, under a "discretionary" application process, to other communities not eligible under formula entitlement. Eligible activities

PUBLIC PROGRAMS FOR REVITALIZING CENTRAL BUSINESS DISTRICTS

Title	Purpose
The Housing and Community Development Act of 1974 (Public Law 93-383)—continued	for use of CDBG funds included a broad range of physical improvement activities. The act also created a new federally assisted housing program—Section 8—which authorized federal "housing assistance payment contracts" to sponsors.
The Housing and Community Development Act of 1977 (Public Law 95-128)	Authorized federal urban development action grants (UDAGs) to severely distressed cities and urban counties.
The Housing and Community Development Amendments of 1978 (Public Law 95-557)	Established a "moderate rehabilitation" category under the Section 8 existing housing program. Two special programs were enacted: the "neighborhood self-help development program" (to provide grants and other assistance to qualified neighborhood organizations) and the "livable cities program" (to enhance the artistic, cultural, or historic resources of neighborhoods). The Neighborhood Reinvestment Corporation, designed to promote reinvestment in older neighborhoods, was created as a public corporation.
The Housing and Community Development Act of 1980 (Public Law 96-339)	Established national standards for condominium and cooperative conversions, enforceable through civil action in state or federal courts. States and localities were granted three years to exempt themselves from these standards.

Appendix A (cont'd)

PUBLIC PROGRAMS FOR REVITALIZING CENTRAL BUSINESS DISTRICTS

Title	Purpose
The Housing and Urban Renewal Recovery Act of 1983) (Public Law 98-181)	Established a housing development grant program and repealed the Section 8 new construction program (except for Section 202). The grant program authorized a one-time, up-front development grant rather than the traditional long-term commitments. The act also established a modest level housing voucher systems, targeted housing assistance to very low-income families, and changed the FHA insurance programs including demonstrations to provide programs including demonstrations to provide more flexible mortgage instruments and the lifting of the HUD-set FHA interest rates.

Appendix B

ACHIEVEMENTS AND WEAKNESSES OF
URBAN RENEWALACHIEVEMENTS

Well over \$7 billion had already been spent or committed for urban renewal from all public sources. In addition, billions of dollars have been spent by private industry in rebuilding the cleared areas. What has been the net effect? Let us first list the successes.

(1) Urban renewal has improved the physical appearance of many hundreds of American cities. Those who remember Philadelphia as it was 30 years ago must be impressed by the great improvement that has taken place along the great shopping center of Market Street, around city hall, along the waterfront, and around Independence Hall. It seems like a new city. So does the central city of Boston, which had been physically disintegrating for many years. Areas on the Southside of Chicago have been transformed from a loathsome slum to a gleaming white and glass city. The Hyde Park-Kenwood area near the University of Chicago has been rehabilitated for pleasant living and has had a face-lifting. Many areas in the 7 miles from the Loop to 61st Street have been physically transformed.

The Yale Yard in New Haven, so dear to the hearts of ten of thousands of Yale alumni, has been rescued from encroaching blight. Smaller cities have been spruced up, and there is little question that urban America presents a far better appearance that it did two decades ago.

(2) Commercial, business, and administrative groups have built offices within the central cities. This has increased land values in the urban business cores and has raised the tax base. The greater decline in the cities' economic foundation which would otherwise have occurred has been, in part, arrested.

(3) Urban renewal has helped to attract some of the affluent and the well-to-do to gracious living quarters within the central cities. This is especially true of younger families with few or no children, and of the elderly whose children have grown up. Those who can afford the rents have obtained access to some services and advantages that most urban living does not afford.

Appendix B (cont'd)

(4) Public organizations have been able to build more impressive and functional buildings and to contribute to the general civic improvement. In addition to the new centers already mentioned, the Chicago campus of the University of Illinois has come into being. In Detroit, facilities for Wayne State University, a new hospital, an industrial park, and luxury housing are in various stages of planning or construction on what was slum land. These examples could be multiplied many times.

(5) Some smaller cities and urban counties have been stimulated by the availability of urban renewal funds to develop a capability for comprehensive urban planning which they previously lacked.

(6) The execution of urban renewal projects seems to have been accomplished honestly and without graft or scandal.

WEARNESES

(1) The first great weakness in carrying out urban renewal has been the unconscionable amount of time consumed in the process

On the average, 544 days were consumed in stage 1--survey and planning. The next stage, the first round of passing on loans and grants, took an average of 706 days, and the final stage, 337 days. These data, provided to the Commission by the Urban Renewal Administration, were generally confirmed by the President's Joint Administrative Task Force, which found that the original processing time for urban renewal took 495 working days.

Since this was the average, a considerable proportion of the total number of projects took more than 4-1/3 years to put into contract form.

But this was only the beginning. Only now could the work of acquiring the land start. This was followed by demolition, by arranging for final land acquisition and land disposition, and finally by new construction. In other words, after 4-1/3 years, the community would be permitted to start another long process. It is not unfair to say the initial stage was merely the beginning of preparations toward the start of

Appendix B (cont'd)

procedures which lessen some of the preliminary difficulties which otherwise would have delayed the commencement of urban renewal.

From the record of every urban renewal project which had been "completed" by December 31, 1966, the Commission staff has classified the project by the amounts of time taken from start to completion. Each project is taken as a unit.

...(The most common (modal) time from beginning to end was between 6 and 9 years. There were 85 projects in this class, or virtually 30 percent of the total. There were 105 projects, however, or more than 36 percent, which took more than 9 years, and a number of projects which took more than 12 years. Finally, there were 10 which took more than 15 years before it could be said that they were completed. (It should be noted that urban renewal work sometimes hangs fire toward the end, because of legal procedures in connection with land acquisition, so that its formal completion is delayed, although the work is virtually finished. Such, for example, has been the experience of the Baltimore 36-block rehabilitation project.)

Source: U. S. Congress, House, Building the American City, Report of the National Commission on Urban Problems (The Douglas Commission), H. Doc. No. 91-34, 91st Cong., 1st sess., 1968, pp. 165-166.

Appendix C

**NORFOLK REDEVELOPMENT AND HOUSING AUTHORITY
BOARD OF COMMISSIONERS AND EXECUTIVE DIRECTORS 1940 - 1985
TERM OF OFFICE**

COMMISSIONERS

George W. Lewis	July 31, 1940 -----	September 5, 1940
Louis H. Windholz	July 31, 1940 -----	July 24, 1942
C. Wiley Grandy	July 31, 1940 -----	August 3, 1950
David Pender, Sr.	July 31, 1940 -----	September 22, 1950
Charles L. Kaufman	July 31, 1940 -----	July 30, 1969
James E. Etheridge	September 5, 1940 --	April 21, 1970
Thomas H. Willcox	July 29, 1942 -----	July 30, 1949
Melvin T. Blassingham, Sr. ..	July 31, 1949 -----	May 16, 1967
James W. Roberts	August 9, 1950 -----	September 3, 1952
Pretlow Darden	October 3, 1950 ----	July 30, 1971
John L. Roper, II	September 3, 1952 --	June 28, 1971
Thomas W. Young	May 16, 1967 -----	September 6, 1967
Franklin W. Thornton	September 26, 1967 -	Present
Robert R. MacMillan	July 31, 1969 -----	August 20, 1973
Julian Rashkind	April 21, 1970 -----	Present
Patricia T. Rixey	July 31, 1971 -----	June 1, 1975
Alfred E. Abiouness	July 31, 1971 -----	Present
Reid M. Spencer	September 4, 1973 --	December 6, 1983
Evelyn T. Butts	July 31, 1975 -----	Present
Corbin B. White	December 7, 1983 ---	Present

CHAIRMEN

Louis H. Windholz	July 31, 1940 -----	July 24, 1942
Charles L. Kaufman	August 3, 1942 -----	July 30, 1969
Pretlow Darden	August 11, 1969 ----	July 30, 1971
Robert R. MacMillan	August 16, 1971 ----	August 20, 1973
Julian Rashkind	September 25, 1973 -	Present

VICE-CHAIRMEN

Charles L. Kaufman	August 6, 1940 -----	August 3, 1942
C. Wiley Grandy	August 3, 1942 -----	August 3, 1950
James E. Etheridge	August 14, 1950 ----	August 17, 1970
Robert R. MacMillan	June 1, 1970 -----	August 16, 1971
Julian Rashkind	August 16, 1971 ----	September 25, 1973
Franklin W. Thornton	September 25, 1973 -	Present

EXECUTIVE DIRECTORS

George W. Lewis	September 5, 1940 --	April 1, 1941
Lawrence M. Cox	April 7, 1941 -----	March 10, 1969
Jack H. Shiver	July 7, 1969 -----	November 11, 1977
David H. Rice	November 30, 1977 --	Present

The Norfolk City Council created the Housing Authority of the City of Norfolk on July 30, 1940. The Authority became the Norfolk Redevelopment and Housing Authority on June 19, 1946.

Source: Marvin W. Lee, Assistant Secretary, Norfolk Redevelopment and Housing Authority, 6 September 1960 to present.

COMMERCIAL BOND ACTIVITY FOR THE DOWNTOWN AREA

<u>PROJECT</u>	<u>DATE COMPLETED</u>	<u>NAME</u>	<u>USE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>TERM</u>
Downtown West Conservation Project						
	5/5/77	Richard Pike 123-129 College Place	Retail	\$154,000	8%	20
	6/25/79	Gencase, Inc. 309 Granby Mall	Retail	17,000	1%	5
	6/25/79	Rue-Forster Co. Int'l Import Mart 411-419 Granby Mall	Office/ Wholesale	450,000	7½%	15
	6/25/79	Robert M. Stein Michael S. Weisberg Helena Building 101 West Plume Street	Office	200,000	8½%	20
	6/25/79	Smith & Welton, Inc. (Sandwich Shop) 300 Granby Mall	Restaurant	23,837	7½%	9
	6/25/79	Adams, McCabe & Lester 237 Main Street	Office	110,000	8%	15
	7/30/79	Hartwell Gary, III and Wiley G. Gary Monticello Arcade Plume St. & City Hall Ave.	Office/ Retail	486,000	7-3/4%	20

Appendix D

COMMERCIAL BOND ACTIVITY FOR THE DOWNTOWN AREA

<u>PROJECT</u>	<u>DATE COMPLETED</u>	<u>NAME</u>	<u>USE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>TERM</u>
Near Downtown West	10/15/79	Television Corporation of Virginia WTVZ Television 418 Boush Street	Office	125,000	7%	5
Downtown West Conservation Project	12/10/79	Ola Mae Tripp and Robert S. Tripp Hair-In-Motion 117 West Charlotte St.	Beauty Salon	17,000	7%	5
	10/15/79	Ullman & Emanuel, Inc. t/a Altschul's 411-419 Granby Mall	Retail	81,000	7½%	7
	12/10/79	Taste Unlimited, Inc.	Retail/ Restaurant	40,000	8-3/4%	10
	1/28/80	John M. Blowe and Joseph H. Blowe The Groom Room 213 Granby Mall	Barber Shop	14,000	7½%	7
	1/28/80	Charles R. Cloud Carriage House Restaurant 313 West Bute Street	Restaurant	35,000	8-3/4%	10
	4/7/80	Roladime Corporation The Atrium Restaurant 320-324 Granby Mall	Restaurant	200,000	8½%	20

Appendix D (cont'd)

Appendix D (cont'd)

COMMERCIAL BOND ACTIVITY FOR THE DOWNTOWN AREA

<u>PROJECT</u>	<u>DATE COMPLETED</u>	<u>NAME</u>	<u>USE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>TERM</u>
Downtown West Conservation Project	4/7/80	Urban Revival Associates Wheat Building 109 E. Main Street	Office	999,999	9 1/8	20
	6/22/80	Roladine Corporation the Atrium Restaurant 320-324 Granby Mall	Restaurant	100,000	6 5/8 of prime	15
	6/23/80	Downtown Racquet Club, Ltd. 320-324 Granby Mall	Health Club	200,000	6 5/8 prime	20
	9/8/80	Robert M. Stein and Michael S. Welsberg Helena Building 101 West Plume Street	Office	200,000	11 1/8	20
	8/17/81	John W. Harris and Michael Hurd, t/a Harris-Hurd Associates 256 W. Freemason St.	Office	190,000	7 3/8 prime	15
	9/28/81	H.B. Associates Hasler Shipping Company 121-123 Tazewell Street	Office	400,000	13 1/8	20
	12/21/81	Spworth United Methodist Church 124 Freemason Street	Church	125,000	10 1/8	10

Appendix D (cont'd)

COMMERCIAL BOND ACTIVITY FOR THE DOWNTOWN AREA

<u>PROJECT</u>	<u>DATE COMPLETED</u>	<u>NAME</u>	<u>USE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>TERM</u>
Downtown North	1/19/82	Herman E. Valentine The Rennert Building 254 Monticello Avenue	Office	800,000	10.4%	15
Downtown West Conservation Project		W. E. Harmon, Jr. and W. L. Tallaferrro, Jr. 413 West York Street	Interior Design	70,000	7% prime	15
	3/15/82	Henry E. Howell, Jr. Augustus Ammons, Guy E. Daughtery, Robert E. Brown, and J. Gray Lawrence, Jr. 136-140 Granby Street	Office	500,000	7% of prime	20
	7/12/82	Michael S. Weisberg Robert M. Stein and Joanne P. Stein Helena Building 101 West Plume Street	Office	180,000	7% of prime	15
	7/19/82	Plume Associates Law Building 147 Granby Street	Office	3,700,000	12%	10

Appendix D (cont'd)

COMMERCIAL BOND ACTIVITY FOR THE DOWNTOWN AREA

<u>PROJECT</u>	<u>DATE COMPLETED</u>	<u>NAME</u>	<u>USE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>TERM</u>
Downtown West Conservation Project						
	8/2/82	Salon Shoes, Inc. Suite "M" Selden Arcade	Retail	62,500	75% of prime	10
	9/29/82	James E. Baylor Old Southern Beauty Supply Building 247 W. York Street	Office	200,000	75% of prime	7
	10/18/82	B.D.B. Associates Bunny's Tavern 112-114 Granby Street	Restaurant	240,000	75% of prime	30
	10/18/82	J. A. Vandersayde Rolf Williams Anders Williams & Co., Inc. 201-203 East City Hall	Office	67,000	80% of prime	15
	10/18/82	Beecroft & Bull, Ltd. 200 E. Main Street	Retail	125,000	70% of prime	7
	11/22/82	Taste Unlimited, Inc. 212 East Main Street	Retail/ Restaurant	50,000	75% of prime	5
	11/1/82	Dremmen of Norfolk, Inc. Suite "E" Selden Arcade	Retail	20,000	75% of prime	5

Appendix D (cont'd)

COMMERCIAL BOND ACTIVITY FOR THE DOWNTOWN AREA

<u>PROJECT</u>	<u>DATE COMPLETED</u>	<u>NAME</u>	<u>USE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>TERM</u>
Downtown East	11/22/82	Downtown Plaza Associates ABC Store - Downtown Plaza Shopping Center St. Paul's Blvd.	Retail	250,000	75% of prime	10
Downtown West Conservation Project	11/22/82	Ranbury & Company, P.C. Architectural & Design 204-206 E. Plume Street	Office	40,000	75% of prime	15
	12/6/82	Mark K. Gilbert, t/a Gilbert Optical Company 241 West York Street	Retail	60,000	75% of prime	15
	12/20/82	Alexander A. Balro 132 Granby Street	Office/ Retail	190,000	75% of prime	6
	9/21/83	Boring & Miller Inv. Assoc. 112-114 Granby Street				
Downtown North	11/29/83	J.T. Associates NRMA Disposition Parcel 19-A 400 Block of Bank Street	Office	250,000	10 3/4	15
Downtown West Conservation Project	12/15/83	The 253 Partnership Warren L. Holland, Sr. Warren L. Holland, Jr. 253 Granby Mall	Office	440,000	80% of prime	25
Downtown South	12/20/83	St. Paul Development Corp. St. Paul's Blvd. & Plume St.	Office	3,225,000	9.625%	25

COMMERCIAL BOND ACTIVITY FOR THE DOWNTOWN AREA

<u>PROJECT</u>	<u>DATE COMPLETED</u>	<u>NAME</u>	<u>USE</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>TERM</u>
Downtown West Conservation Project						
	12/27/83	Professional Arts Assoc. Professional Arts Building 142 West York Street	Office	1,000,000	75% of prime	10
	5/31/84	C.G.V. Associates 112-114 Granby Street	Office/ Retail	160,000	75% of prime	20
	8/27/84	Atlantic Associates 100 Block Atlantic Street	Office	950,000	75% of prime	20
	12/18/84	Bank of the Commonwealth Boush St. (between Freemason and Bute Streets)	Office/ Bank	2,000,000	70% of prime	23
	12/31/84	Peter Decker 201 Plume Street	Office	1,200,000	80% of prime	30

Appendix D (cont'd)

AUTOBIOGRAPHICAL STATEMENT

Marvin W. Lee was born in Hopewell, Virginia on July 26, 1925. Mr. Lee received a Bachelor of Arts in Political Science from Randolph-Macon College at Ashland, Virginia in 1948 and a Master of Arts in Political Science from the University of North Carolina at Chapel Hill, North Carolina in 1950. He is a member of Pi Alpha Alpha.

Mr. Lee served as an assistant to Norfolk City Managers C. A. Harrell and H. H. George, 3d. He was Town Manager of South Boston, Virginia, and Planning Administrator of Henrico County, Virginia.

He is a Past President of the Virginia Association of Housing and Community Development Officials and the Southeastern Regional Council of the National Association of Housing and Redevelopment Officials. He is former member of the Board of Governors of the National Association of Housing and Redevelopment Officials. He is past President of the Tidewater Chapter of the American Society for Public Administration and served as Co-Chair of ASPA's National Membership Development Committee.

Mr. Lee's other activities include service on Old Dominion University's Ph.D. in Urban Services Advisory Board, the Downtown Norfolk Development Corporation, and the Granby Mall Advisory Committee. He is Adjunct Assistant Professor in the Department of Urban Studies and Public Administration at Old Dominion University and Adjunct Professor in the Graduate School of Public Administration at Golden Gate University.

For 27 years, Mr. Lee has been employed by the Norfolk Redevelopment and Housing Authority and is currently serving as Assistant Director for Administration.